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An advertisement for a new product developed by Kathrine Field White in the author's class in Experimental Psychology applied to advertising

PSYCHOLOGY IN BUSINESS RELATIONS

BY

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FIRST EDITION
FOURTH IMPRESSION

A Shaw Business Book

McGRAW-HILL BOOK COMPANY, INC.
NEW YORK: 370 SEVENTH AVENUE
LONDON: 6 & 8 BOUVERIE ST., E. C. 4
1925

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PRINTED IN THE UNITED STATES OF AMERICA

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PREFACE

Numerous books have been written on the particular branches of psychology which relate to business. There are many good books on the subject of advertising, and the field of salesmanship has inspired almost an equal number of volumes. So far as we know, however, there has been, up to this time, no book which combines the study of all the branches of business psychology, written for the business man and the student of business. This volume is designed to fill such a need.

Discussion of the generalities and technicalities of psychology has intentionally been omitted from this work; it is an application of principles rather than a discussion of them. In this respect I have profited from the examples of practical pedagogy in the field of engineering. The student of surveying, for instance, is not taught trigonometry in the course on surveying, even though he makes use of its principles; if he wishes to investigate the generalities of trigonometry, he is referred to a text-book on that particular subject. Essentially, I have conducted my discussion in much the same manner, taking up only briefly the principles of psychology and paying attention mainly to their application to the practices of business.

The brevity with which some details are treated is largely the result of the fact that I am discussing subjects which might fill whole books in themselves, if they were not handled briefly. I have omitted the more unimportant details in some cases, referring to technical works if more involved treatment is desired.

To the readers familiar with the tenets of modern psychology, some of the explanation of basic theory may be superfluous. As it has been necessary in many cases to establish foundations for future building, some material has been included which might not be essential for the advanced

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student of psychology. I have followed one system of psychology in most of my discussion, believing it to be best for my purposes.

It is realized, of course, that employment is usually considered as belonging to the field of industrial psychology. Inasmuch as employment is one of the psychological problems of any sales organization, as well as of the business as a whole, it has seemed wise to add a discussion of its present worth.

I am greatly indebted to Arthur F. Jenness, who has assisted me in the preparation of this book. I am also under obligation to various writers and publishers for the use of illustrations, ideas, and quotations throughout the book. The list of these is long, and as complete acknowledgments have been made in the text itself, they will not be included here.

A. J. Snow

Evanston, Illinois, January 2, 1925

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PSYCHOLOGY IN BUSINESS RELATIONS

INTRODUCTION

INTRODUCTION

All of us at some time or other are participants in business transactions. Whenever we buy anything, we are carrying on business. We also draw other persons into action in business. No matter how impersonal business matters may seem, the relations of business involve the actions and reactions of people. These people are for the most part normal human beings, like ourselves.

In order to carry on our business most efficiently and to derive the most happiness from it, it is well that we understand the principles which underlie the actions of people involved in it. If we are to sell merchandise to others, we must know how to present it to people so that they will want it. If we are to buy goods from others, we ought to know how to get them to best advantage, which requires a considerable knowledge of human nature.

In order properly to understand the principles which govern the actions and reactions of individuals in the world of business, we must turn to psychology, since it is the science from which we can learn the most concerning human behavior. In calling upon psychology, however, we are not so much concerned with its general principles and laws as we are with the specific applications of these to business relations. We shall not attempt to build up a new psychology, nor shall we endeavor to study the entire field. What we shall do is to examine business practices in the light of established scientific theories with the purpose in view of enabling the reader to understand business relations more fully and to carry out his part in them more effectively.

Our first object of study will be the consumer, for without him there would be no business. There could be all sorts of merchandise and still no business, if there were no

one to carry it on. If there were people, but no merchandise, business might still be transacted with service as the object of exchange. We shall therefore begin with the consumer, studying him for what he is—a normal human being with needs, wants, and desires to be satisfied. We shall learn how he may be approached to get him to buy merchandise and how he may protect himself against reactions of his own which would be harmful to him.

We are next concerned with a study of what merchandise appeals to him and how it can be gotten to him at the time and place at which he will buy it. This will be taken up under the heading of marketing. At first the reader may not see that some of the discussion of marketing involves psychological principles to any great extent. These will become clearer as we proceed to the subject of marketing called advertising. In this field we have considerable experimental data in regard to the methods by which men and women may be persuaded to buy what others want them to. Here, too, the laws of psychology have been applied more evidently and directly.

Salesmanship—another important factor in marketing—will involve many of the same principles which operate in advertising. These have to do with analyzing the needs, wants, and desires of men and women, discovering things that provide satisfaction, and persuading people to buy them. We shall also observe the bases on which stores and selling organizations operate. Since these latter involve hiring people to assist in the work of selling and operating stores and offices, we shall include a brief survey of employment. This subject does not belong entirely to the realm of business relations, as it also has to do with industrial psychology. We shall not attempt a discussion of industrial psychology, which includes such problems as incentives to work, labor disputes, fatigue, and kindred subjects, as these belong in a field by themselves.

With this in view, we shall proceed to Part I, which is a study of the consumer from the view-point of psychology.

PSYCHOLOGY IN BUSINESS RELATIONS

PART I

PSYCHOLOGY OF THE CONSUMER

I

THE FUNDAMENTAL NATURE OF MAN

All people are consumers. Man an organism reacting to environment. Reflexes and habits. All experience modifies nature of the organism. Action. Motive and desires. Observation of specific cases of needs. Merchants can satisfy fundamental needs, but cannot create them. The types of action: impulsive, habitual, rational or volitional. Business relations seldom rational. Summary.

HAVING determined that the consumer is the initial link in the chain of business relations, our next task is to study him from various angles, to find out what he is and how he may be influenced.

Everyone is a consumer. From the savage in the most dense forest to the most advanced city dweller, every person must consume to assure his existence. Even the most uncivilized members of the human race carry on barter and simpler forms of trade in order to satisfy their wants. From the day a man is born until the day of his death, he is constantly using and devouring things. The baby, to be sure, does not buy and sell, but he eats and he wears clothes, which someone else obtains for him; and therefore he is a consumer and indirectly influences trade.

A consumer, then, is nothing more or less than a human being. To keep them in existence, the domesticated lower animals often require materials which influence trade, but since these materials are procured for them by man, we must limit our study to the members of the human race. Before we can hope to study the relations between men, we must familiarize ourselves with the nature of man in general. Our problems are confined to the province of *psychology* and are further limited to the field of *business* relations.

MAN AN ORGANISM REACTING TO ENVIRONMENT

Even in the field of psychology, there are numerous interpretations as to the nature of man. We must, therefore, select the point of view which is the most practical for our purpose. In so doing, we make use of what is probably, in our judgment, the generally accepted standpoint in psychology at the present time. While it is impractical here to go into the physiological and neurological details of the structure of the human organism, it is possible to state, in a few words, a working hypothesis whose proof may be investigated by reference to more technical works, if the reader so desires.

In the first place, man is essentially an organism which reacts to its environment. He is so much flesh and bone, nerve and muscle, blood and tissue, all put together so that the various materials coordinate and make action possible; he is *organized*. When stimulated in a certain way, his response is invariably the same, unless other stimuli have interfered, between applications of the given stimulus, and instigated the process of learning or change.

REFLEXES AND HABITS

Our principal interest in the organism lies, therefore, in the reflexes, and habits, inherited or acquired by it. These are dependent on the nervous system. At birth, the individual nervous system has within it the connections which make possible the simpler reflexes, and the potentialities for later connections upon which all habit, memory, reasoning, and imagination depend.

Reflexes are perhaps best explained by an analogy in the realm of chemistry. When two parts of hydrogen and one part of oxygen unite, under certain conditions, they invariably form water. They could not form anything else, nor could they keep from uniting as they do. In a similar way, reflexes take place in the human organism; what does hap-

pen, by the very nature of the combined parts of the organism and the stimulus, must happen, and nothing else could happen under the circumstances. Any action, no matter how universal, always takes place in an environment and is always to be accounted for in terms of its immediate environment plus the organism's training or modification of its inherited structural complexity.

For instance, let us borrow an example from the realm of lower animals. Observe a baby chick first starting the process of eating. Suppose the initial item in the chick's diet to be a grain of wheat. The chick sees the wheat and pecks at it, never having known what wheat is nor how it is to be used. Once the wheat is in the chick's bill, the taste buds give rise to a desirable feeling and another reflex action is started, the chick swallows. In the same way, the wheat passes further on into the digestive system, which is thereby stimulated to action. The chick never had a chance to reason as to whether or not it ought to eat the wheat, or whether it would like the feeling produced. It simply had to eat the grain, and all the other actions automatically followed the initial process. The inherited structure of the chick's nervous system, combined with the environment which went to make up the total situation at the time the chick observed the grain, made the action inevitable.

But we must not say that the operation is entirely the result of the stimulation of the inherited structure *after the first peck has been made.* The process of eating has proved pleasant, with no ill effects. Before long the factor of learning has entered the total situation, the chick has become accustomed to eating, and a habit has been formed. Let us add to our illustration and suppose that in addition to the wheat there is also a caterpillar present. The chick pecks at the caterpillar, but the fuzziness of the worm is unpleasant; this feeling produces another reflex action—the caterpillar is rejected. After a few trials the chick finally gives up the attempt to dine on such fare and habit of rejection has been instituted. Now the very sight of the

caterpillar brings on a movement of rejection. A habit, we may say, is a group or chain of reflexes, modified or acquired by the process of learning.

ALL EXPERIENCE MODIFIES NATURE OF THE ORGANISM

Just as the experience of the chick with the grain, and later with the caterpillar, changed the organism of the chick, so *everything* in the experience of man modifies his original nature. One cannot call to mind a single action, a thought even, which does not in some way or other alter or add to the agent's congenital make-up. The association of feeling of pleasantness with certain actions and feeling of unpleasantness with others, gained from experience, may be the cause of a different set of reactions from the original ones. Or we might say, the difference between the nature of man at the time of his birth and his nature at a period in adult life, which is quite evident, is the result of all the additions and modifications made by his reactions from the time of his birth up to the juncture in adult life at which we have chosen to observe him. Since material bearing on this point will be introduced in our discussion of action, it is sufficient here merely to apply to man the general theory that the reaction of an organism at any given moment is the result of the state of the organism at that time, which, in turn, is the product of the modification of the inherited organism by all of its previous experience.

Because men live in much the same environment, for after all climate and the advances of civilization are not great differences, their actions are very similar under a given set of circumstances, which is merely a way of saying that human nature is much the same the world over.

ACTION

Now that we have observed that original reflexes, and habits, when properly combined with stimuli to make cer-

tain total situations, result in certain reactions, let us turn our attention to action itself. We have seen that a definite "need," such as the "need" of the chick for nourishment, when combined with the other elements of the total situation which included food, caused a behavior of the organism to satisfy the "need"; that is, action took place. This "need" might have been of more complex nature without changing the principle of its operation, such as the "need" of a man to insure his happiness by the purchase of a new automobile. Needs may arise from the stimulation of certain external or internal sense organs, from muscular or glandular changes in the internal organs which may produce conscious lacks, as we shall see later on, but the theory is the same throughout.

MOTIVES AND DESIRES

The full import of the last paragraph, as well, perhaps, as of all that has been said so far, may be lost to the reader if we do not pause in our discussion of action to investigate the subject of motives and desire. We must remember that we are endeavoring to discover how the wants, desires, and needs of people arise in order to know how to guide them to satisfaction. We have seen how the chick reacted to fill a certain *unconscious* need—a reflex action—when it ate the grain, and we have, in the last paragraph, several general observations on the arousal and fulfilment of needs, but it may be well to investigate the subject from still another angle. Perhaps this investigation is best undertaken by first pointing out the fallacy in one of the popular suppositions of the nature of motive and then explaining our own hypothesis.

In our study of the field of business relations, we find numerous men, particularly economists, who are seeking to answer the question, "What are the hidden springs which cause people to work and play, to save and spend, and otherwise behave as they do?" For many of these men the "hidden springs" are "instincts" or "drives," the idea being

that within the human "breast" there exist certain inherited powers which demand expression and lead people to accomplish things. These "instincts" and "drives" are said to have been handed down from generation to generation because they happened to be traits best adapted to the survival of the race, which accounts for their present existence irrespective of environment. As a matter of fact, most of the "instincts" mentioned in such connections are probably groups or chains of acquired reflexes. The use of the notion of force or impulse to explain "native," or "instinctive," behavior is not at all new; it has a long history. But to say that an animal acts as it does because of its racial history—because of its perfection of inherited traits, forces, or impulses which were found of value in maintaining the survival of the species—is not an explanation of the causes of its *present* activity any more than it would be if we should say that the manner in which oxygen acts toward carbon is because of its evolutionary history—although, certainly, chemical elements have a history of development as surely as do animals. An animal—as much as an atom—reacts toward its environment in its individual way, because of its characteristic nature. Whenever we have such a structure coming in contact with a given environment, its reaction is the same, no matter when in the evolutionary process such a total situation could have been made possible. What we observe as "instinct" is nothing more than a structural and chemical relationship of the whole organism to its surroundings. The idea of independent instincts, especially if they are thought of as impulses or organic forces of action which need to be drained off, expressed or satisfied from time to time, seems to us to belong to the same category as the belief that gravity is an inorganic force pulling bodies together, or the belief in the existence of independent forces responsible for chemical combinations.[1]

[1] Snow, A. J. "Psychology in Economic Theory," *Journal of Political Economy*, August, 1924. *See also* "An Approach to the Psychology of Motives," *Transactions of the American Economic Association*, March, 1925.

OBSERVATION OF SPECIFIC CASES OF NEED

Let us examine, for example, the desire for food, which is often classed along with "sex," as one of the two predominant "instincts." It is explained to us that this desire for food has proved of benefit in the survival of the human race and is therefore handed down to us by our ancestors as one of the driving forces of our lives, a "hidden well of power," which spurs us to activity. We are told that we eat *instinctively,* that we were born with an innate force which makes us seek food. Very well, we shall start our observation of the child when he takes his first nourishment. We can hardly say, however, that the baby is hungry, or even that he has a conscious desire for food. The child, so far as we can observe, has merely an undifferentiated feeling of uncomfortableness, due to the collapse of the walls of his stomach, which causes him to cry. Does anyone think the baby *knows* he is hungry? It is rather the mother, or someone in attendance, who knows that what the child needs to relieve his discomfort is nourishment. When the mother's breast touches the baby's lips the operation of sucking commences *reflexively,* because of the very structure of the little mouth and the nervous system, plus the stimulus to the lips. Later the child begins to realize that this feeling of uncomfortableness can be relieved by eating. Then he comes, through experience, to differentiate between the uncomfortable feeling caused by the need for food and his other unpleasant feeling. Finally he comes to like certain kinds of food and dislike others, largely because of his training. Then, when he has not eaten for a few hours, even the sight of food will start his gastric juices flowing. But does anyone think that this feeling of hunger in the adult—taken as an urge—and the undifferentiated feeling of uncomfortableness in the baby is the same thing, produced by an "instinct"?

It may be stated, then, that our hunger, the desire for food, is the result of a grouping of reflexes, based upon an

uncomfortable feeling, which, in time, means nourishment to keep the body alive, which in turn constitutes a maladjustment to the human organism and calls for action to right it.

Thus, in thinking of desire, we must bear in mind a maladjustment of an organism, and in considering action, we must conceive of a total situation involving the maladjusted organism, its original nature modified and added to by experience, and the environment factors, internal as well as external, present which will constitute a readjustment of the organism. So a desire, then, is the result of a need of necessity for adjustment—which adjustment can be brought about by action—rather than of a metaphysical "instinct." Let us repeat that needs may arise from (1) the stimulation of certain external or internal sense organs, (2) muscular or glandular changes in the internal organs, and (3) changes in the central nervous system—conscious lacks—ideas.

Suppose we leave the chick and the child for a time and observe the young lady who desires a pair of patent-leather dancing pumps. When she was very young, before she ever thought of shoes, or knew what they were, or even felt the need of shoes on her feet, they were put there by her mother, in accordance with general custom. After many years of wearing shoes, she has become so accustomed to footwear that she cannot do without it. Everyone around her wears shoes; she would not be well regarded by others if she were to go calling barefooted. She wants patent-leather pumps because they are comparatively small and dainty, shiny, pleasing to the eye, but above all, because they are attractive to those around her and will tend to make people think well of her—a social asset which she has learned to value.

In other words, the consumer has inherited an organism which, because of its growth and adjustment to environment, has developed certain needs, wants, and desires controlled by a system of values or ideals. These values and ideals may change, not only with a concrete situation, but also with the growth of the individual. *These needs and*

desires we may call fundamental, since they are more or less general. Among them are the needs for defense, shelter, food, clothing, tools, physical and mental power, prestige, art, sport and recreation, decoration or display, comfort, society or friendship, cleanliness, and so forth.

Many people have formed desires for all of the things just mentioned, as well as for numerous others as yet unnamed. On the other hand, large numbers of people have developed very few of them. Some people in the tropics, for instance, do not develop a "need" for shelter, clothing, or even cleanliness, until they see how much "civilized" nations have profited from the use of these objects and customs. As they learn the value of these things, they organize definite fundamental desires and needs for clothing, shelter, and other necessities of civilization.

Because people live in groups, and because they are influenced by the lives of their neighbors and by the history of the race handed down by their ancestors, their needs and desires, as well as their habits, specifically follow those of others about them. That is why a man will develop and become conscious of a desire for clothes made of certain materials and cut according to the prevailing custom set by those around him.

MERCHANTS CAN SATISFY FUNDAMENTAL NEEDS BUT CANNOT CREATE THEM

These needs, as we said before, we may call fundamental and general. It is the function of business enterprise to intensify them and to control their specific satisfaction. The merchant, manufacturer, or jobber cannot create these needs, desires, and wants; he can only discover new ways of gratifying them. The desire the market creates is thus secondary and specific—a desire to satisfy the more fundamental need with some particular merchandise.

The young lady, in the example mentioned not long ago, feels a need for shoes because she has formed the habit of

wearing them. The custom of wearing shoes originated, perhaps, because it was found that shoes protected the feet and added to the comfort of the wearer in walking. But if that were the only reason for the young lady to wear shoes, she might as well take them off at times when she did not need them for protection against rough ground and cold weather. It is not the original need, but social custom which causes her to wear shoes to parties and other gatherings. It has been discovered that shoes can be made so that they will add to the general prestige and pleasing appearance of the wearer; therefore, the demand has been developed not only for shoes in general, but specifically for shoes which add to the comfort, beauty, and prestige of the buyer.

Prestige and beauty as human values have also a historical significance, the details of which are beyond the province of the present discussion. Their development may be said to be due to the fact that our society happened to be competitive and sexually differentiative—we have learned that in such society the one who has prestige and is admired by others can better satisfy his wants.

This has been, perhaps, a tedious way of saying that in studying man's wants and the means of their satisfaction, for business purposes, we must remember that each individual is fundamentally an organism with certain inherited and acquired characteristics; that this organism constantly has needs which are aroused by environment of its own internal activity; that these needs are satisfied by action; that this action is always to be accounted for in terms of the man's immediate environment plus his training or modification of his inherited structural capacity.

It has been necessary, however, to make this digression, in order that there be no misunderstanding of the basis of our whole study. With that in mind, let us return to the study of the various types of action, a factor so important in the study of business relations.

THE TYPES OF ACTION

Action may be described in much the same categories, regardless of the angle of approach. It may be classed as (1) impulsive, (2) habitual, and (3) rational or volitional.

Impulsive action is behavior without forethought or previous training and may be either reflexive, emotional, or the result of suggestion. The simplest type of reflexive impulsive action is illustrated by the withdrawal of one's hand from a hot stove. The action is involuntary and automatic, no amount of training being able greatly to influence the mode of reaction. But suppose that instead of the stove we have a wild animal which instils fear in one and causes one to run away. That would be emotional action. Impulsive action may, or may not be, conscious action, but emotional response is always conscious action.

Habitual action may take place either with or without foreknowledge and is the result of the modification of a group of reflexes. The smoker of long standing may take out a cigaret and light it without thinking of what he is doing. When he goes to purchase cigarets, he asks for the brand for which he always inquires, without thinking of doing differently. Or he may be thinking, before he enters the store, that he usually buys a certain brand and consciously do what he does largely because it is what he has done in the past.

Conventional buying is largely of the habitual type of action. In America we buy breakfast food, because we have formed the habit of eating breakfast food in the morning; in some countries, we are told, people buy herring for their first meal of the day and would never even consider the purchase of breakfast food. Men buy suits, with coats and trousers, to wear in hot weather, while in some countries people are perfectly satisfied to wear only loin-cloths, simply because it is customary to wear one sort of apparel in one place, while in another locality, custom differs.

Just as habits may guide and stimulate our buying, so also they may inhibit it, keeping us from making certain purchases. If, for instance, a merchant wished to sell a new product which was designed to replace toast as part of people's breakfast, he would have to take into account the fact that his customers were in the habit of eating toast and find some means of overcoming that habit. The fact that men are in the habit of wearing suits makes it impossible to sell them loin cloths, except, perhaps, as curios. The place of habit as an inhibition cannot be too strenuously emphasized in our discussion.

Rational or volitional action takes place only after a mental consideration of the factors involved in the contemplated move; a logical balancing and careful weighing of evidence. If a man were to buy a house, and in so doing, consider the location as to the quietness of the neighborhood, its nearness to his business, its future value, and its proximity to educational facilities for his children; its construction, for lasting qualities, usefulness, and beauty; its price, for its value in relation to surrounding property and to other commodities, as well as his ability to pay it; its facilities for light, heat, water, and transportation; if he should consider all these and other details, carefully weigh the evidence and reach a logical conclusion, being influenced not at all by impulsive or habitual factors, then the action would be rational or volitional.

BUSINESS RELATIONS SELDOM RATIONAL

As a matter of fact, rational action plays a minor part in business relations. Impulse and habit are far more important and most activities may be said to be the result of them. In buying an automobile, for instance, one may debate for some time as to which car is the best, considering the performance of the engine, its lasting qualities and other pertinent details, and then finally buy the car because he

happened to like the color or the peculiar shape of the hood. Usually our buying is a combination of habitual and impulsive action. The buying of breakfast food, to use another example, is no doubt habitual with the housewife. Yet the brand of breakfast food purchased may be the result either of habit or impulse. She may buy a particular kind, for instance, because it is the one to which she has become accustomed, or she may take another brand simply because she has heard a clerk mention it.

Most business, to be sure, is conducted on a fundamentally rational basis, but reason itself is little used in the transactions. Business procedure is largely the result of the process of trial and error, experience—tradition, custom, precedent—being the guiding motive for action. It is probably best that we do buy and carry on business relations mainly by impulse and habit rather than by reason. Purchasing would be a tedious process if we should take time and energy to reason thoroughly before making our decisions.

SUMMARY

In this chapter we have established the basis for our discussion of several of the principles involved in business relations. We have found that:

1. Man is originally an organism possessing certain well-defined reflexes and potentialities for further combinations and modifications of reflexes.
2. This organism is augmented and modified by growth and experience in its environment.
3. Whenever the proper conditions exist in an organism and the various factors involved in a total situation, action is bound to occur, that action and no other.
4. Action is of three classes:
   (*a*) Impulsive
   (*b*) Habitual
   (*c*) Volitional

In the next chapter we shall study the various channels through which we may make use of these facilities for action.

Problems[1]

II—1, 2, 3, 4, and 5
III—1, 2, 7, 10, 30, 39, 52, and 60
VII—1, 2, 40, 62, 63, 64, 65, 66, and 69

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[1]It would be impossible to incorporate in each chapter more than a very few illustrative problems. We have, therefore, tabulated complete references to the writer's *Problems in Psychology* (Henry Holt and Company), which contains some 1,200 practical problems, such as the following one: "Why did the mother buy? Answer from the following example: 'I did not care at all what he had to sell me and to tell me, but when he said that I could save my sick child if I had one, I bought it. I know I paid too much for it.'" (IV, 39) (The symbols refer to Section 4, Problem 39.) In the conduct of his classes, the writer has found these problems to be invaluable in crystallizing and clarifying the ideas put forth in the text.

II

FACTORS IN BUYING

Immediate factors. The rôle of perception in buying; color, taste, odor, tactual, dimensions or design, sound. Ideation. Association. Memory. Discrimination. Imagination. Emotion. Remote factors in buying. Nature of remote factors. Summary.

In the last chapter we learned that action is either impulsive, habitual, or volitional, and is aimed toward the satisfaction of need in an organism. With that in view, let us focus our attention on a single type of action, that of buying, which is of utmost importance in a study of business relations. These general classifications of action apply to buying, and should be borne in mind as we investigate the factors which lead to purchasing.

The problems of supply and demand, usually discussed as important factors in buying and selling, belong properly to the field of economics and not to psychology. We are not—at this time—so much interested in these topics, important though they are, as we are in the psychological influences that affect buying. We are not so much concerned with the amount of flour in the country, for example, as we are with the principles which cause a housewife to choose a *particular brand* of flour when she does her marketing. We want to know why men are so particular about their tobacco, why women buy expensive perfumery, and why a boy feels it absolutely essential that he have a certain make of toy before he will be satisfied.

The immediate factors in buying may be placed in two categories: (1) perception (or "sensation") and (2) ideation. These elemental causes are *usually* to be found, in some measure, in buying of the impulsive and habitual types, as we shall see in further discussion.

THE ROLE OF PERCEPTION IN BUYING

Pillsbury defines perception as "the process of becoming aware of an object." [1]

We become aware of things through our various senses; we see things, we feel them, smell them, taste them, or hear them, and are therefore *aware* of them. Thus, the perceptual factors in buying may be said to correspond roughly to the various types of sensation. For our purposes, it is well to class these elements as (1) color, (2) taste, (3) odor, (4) tactual quality, (5) dimension, and (6) sound.

COLOR

Color plays an important part in buying of the impulsive or habitual type. When a housewife looks at a shelf of canned goods in a grocery, for example, her eye is first attracted by the articles with bright red labels. She may ask for the can with the red covering without further search, or she may look for some other brand because she has an aversion to red in so far as it is associated with canned goods. The fruit dealer soon learns that red apples attract the eyes of customers more readily than do fruits of paler hue, especially if the red is enhanced by contrasting it with the green of some other fruit or vegetable. A cake of soap, which is in itself not at all attractive, may be easily sold because it is wrapped in paper of pleasing tint and design. Green, white, or pale pink soaps are more readily sold than soaps of natural color. Considerable research has been carried on in the field of color, so that, if the reader is interested, he may profit by reference to various authorities on the subject. In our study of the psychology of business relations, it is sufficient to note that we often buy articles on the spur of the moment because we are influenced by their color, without further consideration of their merits.

[1] Pillsbury, W. B. *The Fundamentals of Psychology*, p. 294. The Macmillan Company, New York, 1922.

People also form habits of buying things of certain color. A man, for instance, may limit his suits to blues and greys, not because he has any aversion to other colors, but because he has contracted the habit of wearing certain shades. In fact, most men in America wear suits of the darker colors, as a matter of habit, or custom, though, in some countries, it is customary for men to dress in bright colors.

TASTE

Taste is, of course, one of the main guiding elements in the purchase of foodstuffs. No discussion of the amount of nourishment contained in an article could, ordinarily, persuade one to buy it, if he knew its flavor to be repulsive. Confections, and the majority of other delicacies, are sold largely because they produce pleasing gustatory sensations. One impulsively buys the candy which his taste dictates, providing he has no other scruples concerning the product. Taste also plays an important rôle in habitual buying. For example, one may prefer a particular brand of tooth-paste simply because he has become accustomed to its taste, even though he knows, when he reflects, that other brands —some at lower prices even—will *clean* his teeth just as well. He may not have liked the peculiar taste of the dentifrice when he first began using it, but he has come to the point where any other flavor of tooth-paste is out of place, and he wants his particular kind in spite of other considerations. Various catsups and condiments are sold entirely because people have become accustomed to their taste, and do not like to do without them.

Even a taste which, at first, is disagreeable can be used to advantage in marketing. A story is told of a manufacturer of condensed milk who chanced to burn some of the fluid in the process of evaporation, so that it had a bitter taste. He noticed that this was a feature possessed by no other milk, and so he found it profitable to burn all of his product slightly and to use the slogan "None genuine without the

almond taste." After people became accustomed to the "almond" taste, they wanted that brand of milk, and no other.

Pleasant taste is often a selling aid, even though the flavor has nothing to do with the utility of the article. People will pay ten times as much for a cathartic which tastes good as they will for a medicine which is of equal effectiveness but has a disagreeable taste, or perhaps no flavor at all. In the sale of patent medicines, for instance, it has often been found profitable to mention taste as the principal selling point, even to the degree of neglecting other desirable features of the product.

ODOR

Odor is closely akin to taste as an influence in buying. In beverages, for instance, it is difficult to tell whether the taste or the odor is the deciding factor in making sales. In such cases, it is probable that taste and odor operate in conjunction to produce a pleasing sensation. Food which smells good is, in most cases, more readily sold than if it did not please the olfactory sense. Odor, however, has its place as a prompter of sales, independent of its relation to taste. Perfumed soaps and scented powders are much more attractive than plain soap and talcum. This is not because of the mere pleasantness of the odor alone, but also because of the suggestion conveyed by it. A pleasing smell, of soap, for instance, suggests good quality. Odor is also strong in its ability to produce associations. Violet-scented powder seems to bring with it all the loveliness of the flower itself. This, however, lies in the province of ideation, and must wait until we have come to that subject.

Just as taste is often the deciding factor in impulsive buying, so also is odor. It frequently happens, too, that one becomes accustomed to particular odors, in the same manner as one grows to like and expect tastes, and so does his habitual buying largely because of the influence of odor.

It is hardly practical to enumerate the various types and combinations of taste and odor which are pleasing. For our purposes it is sufficient to note that, no matter how good a product is, if its taste or odor produces a feeling of unpleasantness, it will be hard to sell, while, on the contrary, a pleasant quality of taste or odor is a powerful selling aid.

TACTUAL SENSATIONS

Though *tactual sensations* are not usually the first impressions we receive from objects, they are, nevertheless, frequently the deciding factors in impulsive and habitual buying. We like to run our fingers over things before buying them, and to discover what sort of feeling they produce. A woman to whom cost and wearing quality are of little consequence may buy undergarments solely because they are pleasant to the touch, or because she has become accustomed to the feel of them and does not want any other texture next to her skin. Oftimes, when we feel cloth, primarily to test its quality and weave, we really are influenced toward buying it because the smoothness or the softness gives a pleasant quality to the sensation produced by the contact.

DIMENSIONS OR DESIGN

The *dimensions*—size, shape, weight and kindred attributes of objects—operate in numerous ways to prompt action, or retard it. Druggists frequently sell powder "compacts" from their show-cases because women are attracted by the smallness, daintiness, or unique shape of the boxes. No argument is necessary; the shape or size sells the box, or causes its rejection, as the case may be. Miniatures of objects appeal to us, as also do exceptionally large models of things. A manufacturer of a well-known brand of talcum recently put on the market a can of powder four times as large as his standard-size container. Though the package was too bulky to be practical, and held more powder than

the average person would use in a year, it sold because people were attracted by its very largeness.

People habitually buy packages of certain size. A man may first buy a large tube of shaving cream because he finds it more economical to purchase it so. Once he has become accustomed to the large tubes, however, he may continue to ask for them simply because he is used to that particular kind.

Trade-marks and labels of peculiar shape and design often attract the eye and arouse interest in an object, which leads to its sale. Oddness of size and shape is a valuable factor in recalling particular products. The unique shape of containers used by certain manufacturers is probably responsible for many "repeat" orders. The mere suggestion of largeness is often used to advantage in selling. Folks buy stationery packed in boxes with false bottoms, because the mere idea of largeness is present. It has also been found effective to use labels which picture the product as larger, in comparison with surrounding objects, than it really is.

SOUND

Sound is, perhaps, one of the least important of the perceptual elements which influence buying, because it does not play a noticeable part in the majority of sales. In some instances, however, it is of the utmost importance. In selling musical instruments, of course, sound is the primary influence to be taken into account. In other fields, moreover, audition must be carefully considered. The prospective buyer of an automobile would seldom be impressed by a car which rattled and made disagreeable sounds generally, while the steady purr of an engine might induce the purchase of a car which was otherwise unattractive.

The mere sound of clever slogans may so impress customers that they impulsively purchase articles. The pleasing quality of the salesman's voice probably has something to do with numerous sales.

IDEATION AND ASSOCIATION AS IMMEDIATE FACTORS IN BUYING

Ideation is a term applied to any of the higher mental processes involving *ideas*. So far as we are concerned, these consist of (1) association, (2) memory, (3) discrimination, and (4) imagination.

Association is prominent in many of our impulsive and habitual transactions. Suppose one enters a store to buy a fountain pen, with no idea as to what make he will purchase, and he sees a placard having on it the name and trade-mark of a certain manufacturer of fountain pens, his idea of fountain pens instantly becomes associated with the idea of the particular brand of pen advertised. When the clerk asks him what he desires, it is probable that he will ask to see the line suggested by the placard. In habitual buying, association of trade names or trade-marks is more close, perhaps, than in impulsive buying. We usually associate the name of the brand of tooth-paste we use with the simple idea of tooth-paste, and ask for that brand when we do our purchasing.

By the process of association, we tend to think of the facts we have heard about various products. We may buy objects because we have heard people say they are good, even though we do not particularly value the judgment of these people. There is also a tendency to purchase articles because they are associated with other persons. A socially ambitious woman, for example, may purchase a hat or a dress when it is shown her, because she knows that the "mayor's" wife has one like it.

There are four types of association: similarity, contrast, contiguity, and succession. The first three of these operate continually in our buying. By *similarity,* we tend to buy things which are like those we have seen someone else possess, or things which are like the kind we have had in the past. By *contrast,* we pick out things which are the

opposites of what we have had in the past, in order to break the monotony of one product by a variation in products. Again, when we are asked a high price for an article, we are apt to think of the lowest price we ever paid for such an object. We link trade names with certain products by the type of association known as *contiguity,* because we have seen the words together. When one thinks of flour, for example, his thought is turned toward "Jones Brothers," because he has so frequently seen Jones Brothers' Flour advertised.

First impressions are the most lasting, and the most liable to be brought into consciousness by the process of association, other things being equal. Advertisers realize the importance of having the public come in contact with their products before impressions of other brands have been made. When a new type of leather substitute was put on the market several years ago, for example, it came out under a trade name which still clings to that kind of material, even though there are numerous brands of the product now on the market.

MEMORY

Memory often serves as a strong source of stimulus to the buyer. We may remember, for instance, that the last time we bought an article at a certain store, we got what we wanted and also received exceptionally courteous treatment. The probability is that we shall patronize that store again. This item of good-will is particularly valuable in business. If people think of a mercantile establishment pleasantly, they prefer to purchase there, to the exclusion of places where they may have experienced unpleasantness. Memory is more apt to be produced, and recalled, in cases in which, at the time of association, a feeling of pleasantness is aroused, than it is when unpleasantness results. For this reason, one tends to remember the stores he likes, and to forget the others, when planning his purchases.

If one has ever had an argument over returning unsatis-

factory goods, and does not think he has been treated fairly, he is not likely to return for more of the same treatment, so long as memory of the first episode exists. Each time he thinks of the place, a feeling of unpleasantness is produced, which, because of the previous experience, has been associated with the store, with a particular article, or perhaps with one of the clerks. That feeling of unpleasantness may persist even after the definite instance has been forgotten. The very feeling of unpleasantness produced at mention of a store, or an article, is an inhibition to buy, though we may have no idea of the process at work at the time.

We may also remember, to take another example, that a certain brand of hosiery gave us exceptionally good service, though we have forgotten where we bought it. The supposition is that another pair of the same brand will wear as well as the last, and we guide our buying accordingly.

DISCRIMINATION

Most people like to *discriminate* in their buying—to weigh one object against another, to test various qualities. This is not necessarily rational buying, but it requires some conscious effort. It is in the process of discrimination that *price* usually enters. The customer in a dry-goods store, for example, feels the cloth, holds it up to the light, examines the thread, and inquires as to the price, trying to get the most for her money. She likes one piece of cloth, perhaps, because of its color, another for its smoothness, and still another for its weight; then her problem is to decide which has the most desirable qualities.

Discrimination as to price, quality, service, and so forth, is not always a factor in bringing about action; it is, frequently, merely a process preliminary to action, which must be borne in mind while the act of buying is being initiated, the decisive factor being appeal to taste, color, style, habit, convention, or other elements previously mentioned.

IMAGINATION

The power of *imagination* possessed by customers is one of the most valuable assets of the dealer. Imagination, generally speaking, has its basis in experience, particularly in association and recall. Instead of merely involving the old connections of ideas, however, it is, primarily, a process of making new combinations of the ideas already existing. We might say that imagination is seeing old things in new combinations. So far as we know, imagination cannot include anything which has not previously been experienced in some form. The pictures which imagination produces are made up of parts perceived at different times, later brought to mind and put together in new combinations. The *mermaid,* one of the best known products of imagination, is made up of parts of our conceptions of *woman* and *fish,* so arranged that a new being is pictured. Even in productive imagination, such as invention, past experience is the base material.

So far as business is concerned, imagination is largely a matter of seeing new utilities and new situations. The person who is buying a new radio set, for example, sees not only the product in the store, but he further pictures it installed in his home, with the family assembled to "listen in." He sees himself operating the various dials, "tuning in," getting distant stations, enjoying the programs being radiocasted. This visualization of the outfit in his home, and of himself enjoying it, may not be clear in its details, nor fully conscious even, but is nevertheless one of the factors—probably the leading one—which will cause him to buy a radio set. The desire to buy is almost proportional to the vividness of the imagination, and the feeling of pleasantness produced by it. The wise merchant realizes the power of imagination and suggests to his customers the things which will implant these new utilities and situations in the minds of prospective buyers thereby producing feeling of pleasantness.

One of the strongest stimulants to buying is the type of imagination in which the subject sees himself as possessing power which he does not have at the present time. This is largely used by those who wish to sell things intended for self-development, such as books and courses of training.

Take, for example, the clerk who has at various times experienced some degree of authority, in his home, perhaps, or at his lodge, enough so that he knows what authority is. In the office where he works, he has no authority. When he reads the advertisement of a correspondence school which offers to train him for a higher position, he sees himself as the future manager of his office. This means to him the power of directing other men and, further, the power of earning more money, so that he can have the things he wants for himself and his family. The product of imagination is accompanied by feelings of pleasantness, and so becomes a desire; he is willing to pay his hard-earned money to satisfy it, as well as to devote his time to study and self-development.

EMOTION

Emotion can hardly be discussed as a third class of factor similar to *perception* and *ideation,* because emotion may be said to be either of the perceptual or ideational type. Nor yet can it be placed solely under one of these headings, because we cannot say that emotion *is* perception, or that it *is* ideation. For that reason, we choose to study it in a section by itself.

Pillsbury says, "Probably the most impelling mental state of all is emotion. For good or ill, it marks greatest disturbance in the course of mental events, and is the most personal, the most pervasive."[1] While this statement does not apply so strongly, perhaps, to buying as it does to some other fields of activity, it is, nevertheless, indicative of the part emotions play in all our business relations. Fear, anger,

[1] Pillsbury, W. B. *The Fundamentals of Psychology,* p. 480. The Macmillan Company, New York, 1922.

joy, disgust, and the other forms of emotion cannot help but influence our actions in the realm of commerce.

Emotions are so closely connected with feelings, such as those of pleasantness and unpleasantness, that it is difficult to distinguish between the two. It may be said the distinction is evident only in the amount of response accompanying them, and their general complexity. Unpleasantness, for instance, may become fear or anger. As movements of flight or attack begin, the muscles of the face and of the internal organs grow tense, and sensations arise. The perceptual factors, which we have discussed in previous paragraphs, do not always produce enough of feeling to constitute emotion, but there are times when they produce strong emotion. The size, shape, color, and other attributes of an object may be so combined as to produce a complex sensation of sheer beauty, which is extremely powerful in its emotional value.

It is probable, however, that emotion produced by ideas is more important than perceptual emotion, so far as our problems are concerned. When a woman goes to buy a smoking-jacket as a present for her husband, she is thinking, perhaps, of how much he will enjoy it, rather than of any immediate appeal it makes to her as she purchases it. A great deal of our buying is done because of the joy which will be produced by articles, either to ourselves or to others. When one observes a young man buying candy for the girl he loves, one can hardly say that emotion plays no part in our business relations. During the war, people were induced to subscribe for Liberty bonds, not through arguments as to merits of the bonds as investments, but largely on emotional grounds—patriotism, hatred of the enemy, love for those in the service of the country. At such a time, the mere desirability of the securities for financial reasons would have been a weak appeal.

Emotion may serve as an inhibition to buying, as well as a stimulus. A merchant could hardly hope to sell a customer a pound of butter immediately after he had aroused

his anger by insulting him, or disgusted him by the filthy appearance of the store.

These illustrations of but a few of the types of emotional response serve to show, perhaps, why it is that Pillsbury says that emotion is probably the most impelling of the mental states. Certainly, this ought to be taken into account in business relations, if it is so important in life generally.

REMOTE FACTORS IN BUYING

We shall see that some of the processes classed as immediate factors in buying may also figure among the influences *not* immediately present to sense, which we term the remote factors in buying.

It is evident that impulsive buying cannot include any of the remote factors. The very connotation of the word "impulsive" precludes any of the remote elements. Habitual buying may include some of the remote elements, but does not necessarily do so, as we shall see in the discussion of these points. Likewise, rationalization, or reason, always includes some of the remote factors, as we shall also note later on.

Perception, of course, is not included among the remote factors, because one cannot become aware of things, through his sensory organs, which are not present or immediate. The remote factors, therefore, must be confined to the processes of ideation and rationalization.

Though we mentioned discrimination as one of the immediate factors in buying, and it often falls in that category, it is probably more often remote than immediate. One can hardly begin to discriminate without calling on ideas which are not immediate. In the example of the customer in the dry-goods store, which was used earlier in this chapter, part of the discrimination applied to immediate qualities, and part of it had to do with more remote elements. Besides the sensations produced by the color, the smoothness, and weight of the cloth, there must have been

present to the shopper the idea of how well the cloth would wear in the future, whether she should buy expensive cloth and economize on other things, how the cloth would appear when made into a dress, and numerous other ideas.

Imagination, while it was treated in the section on immediate factors in buying, because any discussion of it follows closely the subject of association, really involves remote factors almost entirely. While a present object may arouse imagination, the components of imagination themselves must necessarily be largely remote. When the man saw the radio set, for example, he pictured all sorts of things which were not immediately present to his senses.

NATURE OF REMOTE FACTORS

Conflict between present ambitions and ideals which can only have their fruition in the future brings into play many of the remote factors in buying. The man who is trying to decide whether he should satisfy his present desire for an automobile by buying a cheap car, or whether he should save his money and realize his ultimate ambition of owning the finest car available, is going through just such a struggle. It is probable that men are usually, in such cases, swayed by the prospect of immediate satisfaction, rather than realization of their more remote wishes. Man generally seems to be of the opinion that "a bird in the hand is worth two in the bush."

The remote factors in buying, such as market conditions, price, future utility, and so forth, are so numerous and diverse that it is hardly practical to attempt to list them here. A general idea of the nature of these factors is sufficient for our purposes. We might, however, refer to the example of the man about to purchase a house and lot used in the discussion of rational action on page 18, in order to illustrate the complexity of these factors. First, the man must consider the quietness of the neighborhood, not only because he wants comparative silence at the time,

but because he wants a quiet place for his wife's sake, and for the children to grow up in. Then, the location with reference to his business; it is logical to conclude that if it were too far from the business district, he would waste time going back and forth; if it were too near, the neighborhood might become noisy or otherwise undesirable. It is also obvious that if he is to send his small children to school, he must locate near educational facilities. He must examine the construction of the building, because if it is to last, it must be well built; it must be arranged for convenience, if it is to be comfortable and easily cared for. He must not pay more than it is worth in relation to other property in the neighborhood, and he must be assured that the value of the house and lot will not decrease as time goes on, or he will be losing money in the transaction. He must take into account the amount of money he possesses; it would not be logical to spend more money than he has, or can obtain. If he is to be comfortable, he must see that there are proper facilities for light, heat and water, as well as transportation and telephone service. In addition to all of this, he must familiarize himself with conditions in the real estate market generally, so that he may not be forced to pay more than the market price.

SUMMARY

In this chapter we have seen that the psychological factors which affect buying are perhaps best divided, for observation, into "immediate" and "remote," though some of the factors belong in part to both classes. These factors are not to be confused with the types of action; they are rather agents, or stimulants, which take part in the various types of action.

Having studied the nature of the consumer and the channels of his action, we shall proceed to the place of the consumer in the sale, and the importance of his attitude toward the sale.

Problems

V—1, 3, 13, 61, 72, 83, and 86.
VI—25, 37, 72, and 89.
VIII—2, 4, 11, 43, and 52.
X—6, 21, 26, and 33.

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III

THE CONSUMER'S PLACE IN THE SALE

Adopting the consumer's view-point. How the consumer's attitude affects the sale. The greatest safeguard in buying. When in doubt use reason. Summary.

Our study so far has been objective. We saw that the consumer was, first and last, a man, and we looked at him from the standpoint of business relations, especially the relation of buying and selling. Now let us take the position of the *consumer* and from that view-point look at business relations, particularly as they apply to our buying. It is comforting, perhaps, for the consumer, after reading the account of himself as an organism reacting to his environment, to remember that, according to this theory, the merchant is also just such an organism; and that the consumer, in turn, may profit by a study of the factors which influence the action of the merchant. The consumer has the ability to stimulate and, to a certain extent, to influence and control the actions of the merchant, just as the merchant stimulates and similarly maintains a guiding hand over the actions of the consumer.

Unfortunately there has been little research in the field of psychology from the standpoint of the consumer. The grocer has been so busy studying his customers that he has neglected to notice his own buying when he patronizes his neighbor, the hardware dealer. Most business houses pay far more attention to the development and proper organization of their sales departments than they do to their purchasing departments; psychology is in the same situation. But the place of the consumer in the sale is none the less important. Why should not the consumer determine the "psychological moment" in the sale just as much as the salesman?

HOW THE CONSUMER'S ATTITUDE AFFECTS THE SALE

From the standpoint of the psychology of business relations, the consumer's chief interest may be said to be in the manner in which his attitude affects the sale. When a man knows how his reactions influence the dealer, he is in a position to do his buying profitably. Let us examine the equipment at the service of the consumer, which may be used to render his buying more efficient.

In the first place, the consumer has the power of discrimination, as we saw in our previous study. He can weigh the good and bad attributes of articles for himself. He has some general knowledge of quality, for instance, even though he may not be particularly familiar with the article which he is purchasing. When he goes to purchase a suit, for example, he can tell something of the wearing quality of various pieces of cloth by examining the yarn from which they are made, the thickness, the weave, and other details of construction. Knowing something about quality, he does not have to buy a poor piece of cloth simply because the color of it appeals to him. By examining the goods carefully instead of noticing only those features pointed out by the salesman, he can guard himself against unwise buying.

In the second place, the consumer has opportunity to familiarize himself with goods by consulting other sources than the dealer alone. It is his privilege to know quality and price, just as much as the merchant's. His fellow-consumers have learned by experience, perhaps, from which he can profit, if he wishes. The man who has never owned an automobile, for instance, may profit by consulting his neighbor who does own a car, before he makes his purchase. When he buys an article he can note its good and bad features, and guide his future buying with that knowledge as an aid. If the customer knows something of the goods he is buying, he meets the dealer on his own ground, and has more confidence in himself as he carries through the transaction.

THE GREATEST SAFEGUARD IN BUYING

In the third place, the consumer's greatest defence, which cannot be overemphasized, is his knowledge of his own reactions in buying. By introspection, and by observing the reactions of fellow-consumers when the salesman uses certain methods, one may soon come to recognize the kinds of persuasion to which he ought to control his reactions. He must then learn to inhibit these reactions. Thus he guards not only against the tricks of the salesman, but also against his own impulsive actions.

Let us suppose that a woman of moderate means has gone into a store to purchase a cake of soap. She sees plain, white, unscented soap at 8 cents a bar, and pale-green, delicately scented soap, beautifully wrapped, priced at 40 cents a package. If she stops and analyzes the situation, she realizes that the appeal of the more expensive soap lies in its color and odor, which is not worth the difference in price to her. If she asks the clerk if there is any difference in the actual quality of the two, finds there is none, and purchases the plain soap, she has profited by her careful buying.

In the second chapter we mentioned that a man may become so accustomed to the taste of a certain brand of tooth-paste that he continues to use it even though he knows that a cheaper kind will clean his teeth more thoroughly. Perhaps when the man first started using the brand, it was the cheapest and best, but since that time, others have been put on the market which are far superior. If the man stops to think of the reason for his choice of brands, and then acts rationally, he may not only save money but take better care of his teeth. At first it may be hard to break the habit of using the old tooth-paste, but, once a new habit is formed, it is easier to use the new and better dentifrice.

The man who is going on a fishing trip, to use another example, has entered a sporting-goods store intent on the purchase of lures to be used in casting for bass. The clerk holds out a "plug" of clever design.

"Isn't this a beauty!" he says. "It's the latest thing out, just came in last month. We've sold more of these than of all the others put together. Most of the old fishermen carry several of these in their outfits."

The customer decides he likes the look of the lure, thinks he ought to have the up-to-date casting equipment, and perhaps buys the bait. If he had answered the clerk's "Isn't this a beauty!" with "What do I care about 'beauty'? I'm buying it to catch fish with, not to admire, am I not?" the difference between rational and irrational buying would have been evident. And if he had added, "The fact that you have sold so many of these things isn't any reason why I should have one, is it?" we could say that the customer showed strong manifestations of being a rational buyer.

Following are two reports of sales, the first by a customer and the second by a salesperson.[1] In each case the reader may notice that the customer has profited by knowing what she desires and therefore she was not easily influenced to accept substitutes.

SALE 1

Upon entering the millinery section I was approached by the floorwoman who, upon hearing my request, called forth a salesperson clad in a blouse of brilliant red. I told this salesperson I wished something in a sport hat, brown, to go with the outfit I had on, but I did not wish the new poke shape. She showed me hats in rapid succession, one right after another, ranging in price from $1.99 to $14.75, and being primarily of the poke shape.

SALESPERSON—*(repeatedly to my statement that I did not wish a poke shape)* Well, I *dunno,* dearie, where you can get any others, because they are all we carry now. You don't want tailored shapes, because they aren't the style. Poke shape is all the style now. I don't know where you would get anything else, dearie.

I had wanted to buy a hat, but finally gave up in despair, for she positively would not let me become interested in any particular hat, gazed around the room at her fellow salesgirls all of the time, and did everything but appear interested.

CUSTOMER—*(finally)* Just let me look around the tables and perhaps I can see something that I wish.

[1] Kneeland, Natalie. *Cases in Retail Salesmanship,* pp. 26-27, 30. A. W. Shaw Company, Chicago, 1924.

With a little grunt which I took to mean "Very well," she walked off. I started to walk around when a second salesgirl approached me. The manner of the approach, the appearance, and general air of interest and assurance of this salesgirl were a very pleasing contrast to that of the former.

SALESPERSON—May I help you find something in sport hats?

CUSTOMER—Thank you. I have just been waited on and I do not seem to be able to find anything that I wish.

SALESPERSON—I know. I saw you in here, but you see I know the stock perhaps better than the other girl did and perhaps I can help you. Just what did you wish?

I repeated my request; she took me immediately to a section in which I had not yet looked, opened some drawers and took out five hats which, save for slightly varying style, fitted my description perfectly. She gave excellent selling points, followed my suggestions beautifully, knew that in looking for a sport hat I wasn't interested in paying $14 for it and engineered the sale so quickly that I was most pleasantly impressed. She took the name and address intelligently, did not ask for repetition, and chatted pleasantly while she waited for the change coming to me. I would certainly make it a point to go back to her.

SALE 2

A woman in plain, serviceable clothes came into the department.

SALESPERSON—May I be of service?

CUSTOMER—I want a sauce pan and a double boiler.

SALESPERSON—*(judging by her clothes and appearance that she would prefer medium-priced merchandise)* Do you care for the granite ware, or do you prefer the aluminum?

CUSTOMER—I want "Wear-Ever" aluminum, and don't bother to show me anything else. I spend a great deal of time in my kitchen, and I always say that the best is none too good when you have to cook all the time. I may not have much in my kitchen, but every piece I buy is the best there is. And I want a good-sized double boiler, too. I don't like to skimp myself in room.

I showed her the "Wear-Ever" aluminum and she bought several dollars' worth.

WHEN IN DOUBT, USE REASON

The man who knows and understands the influences which stimulate him to buy, if he will only stop to analyze situations when he is doing his purchasing, can reduce his buying to a rational basis, and force the salesman to meet him on that ground. As we observed before, buying would be ex-

tremely tedious if we were to use pure reason every time we made a purchase, but it is nevertheless important that we occasionally take stock of affairs, if we are to keep from being misled. The salesman may not intend to mislead us, but he has come to realize that people generally do their buying irrationally, and he adapts his methods to suit those of the customer.

Let us repeat, for the sake of emphasis, that the task of the consumer is not only to guard against false arguments presented by the salesman, but to guard against persuading himself irrationally. He must not be misguided by pleasant sensations and pleasant ideas, in place of reason. One of the greatest drawbacks to good buying is the tendency of customers to become too enthusiastic, to "oversell themselves." Enthusiasm is a good thing, after one is sure of a proposition, but at times is a dangerous obstacle to reason.

A budget system is of vast importance as a psychological remedy for irrational buying. The man who habitually runs his expenditures on a budget basis, and sets aside fifteen hundred dollars for the purchase of an automobile, is more likely to analyze the situation when a salesman tries to sell him a two thousand dollar car, than is the man who does not plan so carefully. Budgets have great psychological value, provided people stick to them, because they make folks reflect before they act, which is in itself an inhibition to irrational buying. The man who has a good budget knows, before he enters a store, approximately how much he can afford to pay for the article he intends to purchase. This leads him to study quality and price, to some extent, and when he comes to do his buying he is in a position to state what he wants, and to get it, without being influenced by impulse to buy a substitute.

SUMMARY

This brief chapter on the place of the consumer in the sale has been intended to show:

1. That the consumer may influence the merchant through the same channels which the merchant uses to influence the consumer.

2. That it is the consumer's privilege to know something of quality and price, and to meet the merchant on his own ground.

3. That the consumer, knowing his own reactions, must analyze the situation when he is buying, and make his actions as rational as possible.

4. That the great defence against irrational buying possessed by the consumer, is his ability to identify (*a*) irrational arguments or influences used by salesmen; (*b*) irrational action on his own part.

5. That buying is most apt to be rational if it is well planned.

PROBLEMS

XV—3, 5, 6, 8, 22, and 27.
XVII—198, 209, and 210.

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PSYCHOLOGY IN BUSINESS RELATIONS

PART II

PSYCHOLOGY IN MARKETING

IV

SUBJECTIVE INFLUENCES DETERMINING DEMAND

Importance of psychology in marketing. The function of marketing. The influences determining demand. Problems in the study of subjective influences. Factors influencing demand; spending and earning powers; habits of saving; standards of living; social position; habits of following "the style"; liking for innovations; desire for sameness; desire for change. Summary.

In our study of the nature of the consumer, we found little or no mention of marketing. So far as business relations are concerned, retail buying is naturally the most conspicuous process into which the consumer enters. Before we can make an intelligent survey of the principles of selling—whether it be wholesale or retail—we must attend to the subject of marketing. The machinery of marketing is less evident to most of us than are some of the other elements in the organization and practice of business. We tend, therefore, to place less emphasis on the importance of this subject than it actually deserves. It is one of the aims of this book to point out the significance of marketing as an essential link in the chain of modern business relations.

Marketing may be approached from numerous angles. Many of its foundation principles can hardly be directly assigned to the category of psychology. In fact, marketing is perhaps generally considered to belong to the province of economics rather than to psychology. The research and writings on the subject now in existence, with the exception of advertising and selling, are largely the result of effort put forth by economists. Yet marketing, dependent as it is on the mental life of man, is certainly a legitimate field of activity for the student of psychology. In fact, the greater

part of the work of economists in this direction is based upon subject-matter which is distinctly psychological. An indication of this fact was given in Part I, in pointing out one of the fallacies common to the thought of many economists in assuming unsound psychological theory as the basis of economic discussion.

Our discussion of marketing, as of our other subjects, must be confined, for the most part, to such phases as have distinct and special psychological bearing. We shall overlook such problems as do not involve mainly human relations and the reaction of the human organism to any considerable extent. In spite of this omission, however, our field is quite extensive. We have practically no important experimental data from which to draw conclusions on the subject. We are assured, however, that certain principles of psychology operate universally; it is our purpose to apply these to marketing and to discuss the problems of marketing in terms of psychology.

There is a tendency to separate the considerations of the various agencies engaged in marketing, as if they were quite different and distinct. From the standpoint of psychology, this seems unnecessary. The marketing problem of the manufacturer, for instance, is practically the same as that of any other distributing agency. Like the others —the jobber, the wholesaler, the retailer—he must adapt the goods he manufactures to meet the needs of the consumer. He must select the right container for his product, set the price, and assure delivery, just as the others must do. He is controlled by the same forces of the market that affect the others. The methods by which all of these agencies influence demand are largely coincident. For the manufacturer the problem of selecting trade names, brands, packages, and labels is not intrinsically different from that of the other distributers; they all depend on the nature of the consumer. Where there are cases of difference, due to special circumstances, these will be pointed out for discussion.

THE FUNCTION OF MARKETING

We may say that the function of marketing is to present commodities for sale at the proper time and place and in proper varieties, qualities, grades, and quantities to satisfy the need of the consumer. This involves a study of the consumer, so that we may know what he wants, and the ways of making what he wants available to him at the proper time.

THE INFLUENCES DETERMINING DEMAND

It seems necessary to study the interesting factors which influence demand—this is the primary operation in marketing—in two classifications, which we choose to call *subjective* and *objective,* respectively. This distinction is at best artificial, and must not be taken as a rigid line of demarcation between the various factors. Some of these elements, we shall see, may be subjective at one time and objective at another. When we study the subjective influences we are seeking to find how far the nature of the consumer in his social environment influences demand for merchandise. In viewing the objective factors, we are interested in the extent to which outside economic agencies influence the demand for goods by the consumer. First we shall observe what we have termed the subjective influences of demand.

PROBLEMS IN THE STUDY OF SUBJECTIVE INFLUENCE

We shall arrange our discussion of the subjective influences of demand according to its bearing on three problems: (1) the psychology of the consumer, (2) the environmental factors influencing demand, and (3) the ways in which goods may be presented to stimulate demand.

In the present study of the psychology of the consumer, we are concerned only with his nature in so far as he influences the demand for merchandise. On the one hand we

have his wants, desires, and needs; on the other hand, his buying habits and defenses, all of which were discussed in Part I. There is, of course, a great deal of interplay between these two fields of study and it is impossible to separate them entirely.

In order to take proper cognizance of the buying habits and defenses of the customer, we must remember that it is necessary to plan the work, location, and general outlay of the store according to the customer's standards.

The student of marketing will do well to keep in mind while planning the work, location, stock, and general organization of the store that the effectiveness of all this depends upon how it agrees with the customer's standards of judgment. As we shall see more clearly when we come to study the psychology of selling, the customer can be satisfied according to his own standards alone. Too often the seller tries to force his rules of valuation on the prospective buyer, forgetting that the purpose is to satisfy the need of the customer, not the seller. The customer is the judge of what shall be and what shall not be, not only in selling, but in every phase of the business structure. The firm that does not aim to accommodate the customer as he wants to be served is likely to be short-lived.

Suppose a man walks up to a cigar counter and asks the clerk for a certain brand of cigar. Let us assume that the clerk prefers to smoke a pipe rather than a cigar. If he is a wise salesperson, he will either bring out the cigar for which the customer asks, or, if he does not have it in stock, he will suggest a similar brand. It would be obviously foolish to *argue* with the customer, insisting that he ought to smoke a pipe rather than a cigar. Yet in many cases of greater import than this illustration, the distributing agent tries to force the customer to buy what the agent thinks is best for the customer, rather than what the customer wants.

The writer has in mind a time when he was eating dinner with a friend in a metropolitan hotel. The friend had nearly finished a meal which included fish. The waitress, upon ask-

ing what he would have for dessert, was told that he would like ice-cream. She remonstrated, saying that he ought not to eat fish and ice-cream in the same meal. The manner in which the subject was introduced and the fact that the man was not allowed to use his own judgment undoubtedly produced a greater feeling of unpleasantness than would have resulted if he had eaten the forbidden combination of food.

It is true, of course, that the distributing agency can influence demand to some extent. The salesperson can often persuade the customer that he ought to take something which does not seem very attractive at first sight. The customer may desire a nationally advertised product, but be willing to take a substitute after the sales clerk has explained the situation. Selling organizations, however, cannot disregard the desires of human beings; they must adapt their programs largely to suit the demands of consumers.

The first consideration of the marketing organization is therefore to find what the consumer wants and how it may control the satisfaction of his need. What the consumer wants depends as much upon the characteristics possessed by all consumers alike, as upon the individual characteristics which distinguish him from other consumers. In order that we may understand the factors in the solution of this problem of satisfying the consumers' need, we shall review the most important of them.

FACTORS INFLUENCING DEMAND

The various factors which interplay to determine how, when, and where the needs, wants, and desires of the customers are to be satisfied may be said to be as follows:

1. *Spending and earning power.* Naturally, if a man earns but little, he has little to spend. If he has not much to spend, his buying is limited to actual necessities. Some people are not as wise in their expenditures as are others.

The man who pays for his own home does not spend his money in the same way as does the man who pays rent.

The man who has a secure, steady income may plan his expenditures according to a careful budget system. One whose income is uncertain cannot outline his program of disbursement so systematically. When he has money, he spends it, and "demand" is good; when he does not receive so much, his purchasing power is reduced—"demand" is lessened.

When the prospect for the future is encouraging, people tend to buy more than they do if the outlook is not so good. The general prospect of the community is also a factor in determining demand on the part of the individual. If indications point toward a good crop, or toward good business conditions generally, people are apt to do more buying than they would if omens are suggestive of less fortunate circumstances. The farmer, for instance, will take on numerous obligations in expectation of a bumper crop, even though it is not a certainty until it is actually harvested.

2. *Habits of saving.* These, as well as the other habits we shall discuss, are more strictly psychological in nature than the factors of earning and spending power. As we saw in Part I, habits are formed through the repetition of action and may be altered by education or change in the conditions of environment. It will be well to bear this fact in mind wherever habit is involved.

In periods of depression, people are more likely to save in proportion to their incomes than they are in time of affluence. The present suggests the importance of putting away money for the future. In times of great prosperity, spending is free; life appeals and is promising; the future is bright and there is no call for worry. Man is not like the lower animals, many of whom save without any special training or reflection. He must learn to save by experience, because of the advice of others, or by observation of the unpleasantness which befalls those about him who do not save.

Imagination of the consequences of not saving produces a feeling of unpleasantness which people wish to avoid; the only way to do so is to save. Once the habit of saving is started, it becomes easier to save as time goes on.

Suppose a man wants to buy a home, but does not have the money necessary for the transaction. He decides to save a certain amount each month to be used toward the purchase. At first it is difficult to put the sum in the bank every month but before long the habit has been established and the difficulty partly disappears. When he has saved enough money to pay a good share of the price, he buys the house and places a mortgage on it to take care of the remainder of the cost. The necessity of paying off the mortgage strengthens the habit of saving, so that by the time the house is entirely paid for, the man has become so used to saving that he continues to save and invest his money.

3. *Standards of living.* Here again habit is all important. The individual who is accustomed to luxury finds it unpleasant to exist without things whose absence makes no difference to the person in more moderate circumstances. The girl who has always had a maid and an automobile at her disposal would find it hard to get along without them until she developed new habits. Most of us would find it difficult to get along without modern plumbing. When people have become accustomed to conveniences and "higher standards" generally, the demand for these is steady; if people are not used to these things, they are not conscious of the need for them—they have no desire for them—and there is no demand for them. The demand for commodities varies among communities according to the standards of living prevailing in them, as well as among individuals in each community, in keeping with personal standards.

4. *Social position.* The habits associated with this subject must not be confused with those under the previous heading, though both groups have much in common. Social

demands which call for the expenditure of money are not the same as standards of living. This is best brought out by a simple illustration. Suppose a family with a small income lives and mixes socially among people whose incomes are considerably larger. The former obviously cannot adopt the same standards of living, materially, as do the latter. Yet the social demands of the two, let us say, are the same. The family with the small income spends money for things which "show," out of proportion to its means. Its members buy clothes in specialty shops because of the prestige associated with these places, but economize on food by purchasing in a "cash and carry" store, perhaps going out of their immediate neighborhood, so as not to be seen doing so. They drive an expensive automobile, but cut down on books, magazines, and insurance. This can hardly be called a high standard of living, in comparison with the customary life of their wealthier neighbors.

The student of marketing must adapt his methods of doing business to the social position of the community and to the level of the individual in the community. One whole section of a city may occupy a higher social position than another neighborhood, which means a difference in the demand for merchandise in the two districts. In each community, also, there are people of different social status whose demands for merchandise are not the same.

5. *Habits of following "the style."* The community generally follows the lead of several of its members who set the style in clothes, automobiles, and the like. We are told that when a certain manufacturer of balloon tires for automobiles wished to introduce his product to a community, he sought out those who were regarded as "pace-setters" and outfitted their cars with balloon tires at cost, and in many cases at less than cost, knowing that others would follow the lead. Several reputable clothiers furnish well-dressed leaders of undergraduate bodies at colleges with suits, coats, and haberdashery at half-price, hoping that students will

follow the precedent of representative men in regard to clothing. The rapidity with which Englishmen, and Americans, too, follow the example of the Prince of Wales in matters of style is another illustration of the habit.

Most of us like to do, wear, and say what is approved by those about us. We desire the prestige accruing from the fact that our friends and associates approve of us. What people think of us affects us and modifies our opinion of ourselves. In marketing, therefore, it is necessary to see that the leaders of style adopt the things which are to be sold and that the merchandise these people sponsor becomes available to the buying public.

6. *Liking for innovations.* Fortunately for the progress of civilization, some people are ever on the alert to adopt anything which is new. These individuals want to be the first to have articles which will be obtained later by others; they want to be leaders, not followers. This gives them a certain amount of feeling of superiority. Sometimes such people succeed in introducing merchandise to the community and sometimes no one follows their example, depending upon the ability of the commodity to satisfy the need of those about them. In planning to market a product, it is therefore well to take notice of the elements of newness which will appeal to customers. All people are attracted to some degree by novelty.

7. *Desire for sameness.* Generally speaking, there is not a great deal of difference in the likes and dislikes of people. That is, the same qualities of merchandise appeal to most people. The similarity in human characteristics generally is greater than the difference. It is not entirely because of habit that people tend to buy what other people purchase. A certain article, for instance, may appeal to people because it is red, or white; the same quality which attracts the individual attracts others independently. As a rule, people like things which are of large size, glossy, polished, lustrous, plump, graceful, appropriate in appearance, convenient, or

in showy packages. They like the brand or the store which carries the most prestige and good-will. People want to possess the same things others have and the student of marketing must take these factors into account in making his survey.

8. *Desire for change.* It must not be supposed, however, that the desire for sameness is absolute; it is only part of the scheme. The customer's demand is also constantly changing, due largely to variance in his circumstances. If his circumstances never changed, the probability is that his demand for commodities—save novelties—would remain the same, but his organic and environmental conditions are constantly being altered.

Take the example of homes, for instance. The demand is constantly increasing for more room, more light, well-regulated temperature, better sanitation, greater convenience, more comfort and pleasing appearance. While people desire the same home surroundings from day to day generally, they want to better them. As the size of the family or income increases or decreases, the demand for housing changes.

The demand for clothing shifts constantly. Styles change —even though the clothes may not be worn out—and people want new ones. Preferences for clothing are different in old people than in young individuals. While people like to have the same type of clothes others have, they wish them to be just a bit different from what others wear, as well as from what they themselves have worn in the past. In regard to foodstuffs, too, the individual's demand is ever on the "move." He wants greater variety, finer quality, better appearance, better flavor, and more ease in preparation for serving. As soon as he has attained one stage of satisfaction in these regards, his desire rises to the next stage, always preceding his accomplishment.

The psychological reasons for the desire for change in the examples just mentioned are numerous and varied. Popular education is one of them. People have become

acquainted with new articles and new standards of judgment. Better transportation and immigration have brought new contacts to people, so that they are coming to see the advantages of new ways of doing things. All this creates a shifting demand or a desire for change, whichever we choose to term it.

We learned in Part I that a new habit is soon formed if a repeated action produces the feeling of pleasantness. If the housewife uses labor-saving devices and finds that the feeling of satisfaction accompanies the process, she is apt to find a way to continue to use such articles. As the number of these devices employed by housewives increases, the cost of production is cut and they become available to more women. This makes it possible for each woman to do her work quicker than she formerly did. She has more leisure time; this change in circumstances creates a further change in her habits and results in demand for change. Moving picture theaters, with their entertainment at comparatively low cost in money; magazines and newspapers, with their influence upon customs, conventions, habits and ideals; and the radio, as well as numerous similar factors, all combine to provide change in demand.

The normal individual naturally likes change and dislikes monotony. Change attracts attention, permits the fluctuation of attention and helps to develop interest, while monotony does not provide such conditions. All of this must be taken into account in marketing, no matter what the product is. If a new product is being introduced to the consumer, it is not so difficult to capitalize the desire for change. If it is a staple commodity, the task is to give new and interesting information about it and suggest new uses for it or change its general appearance as a whole or in some detail.

SUMMARY

Though the general aspect of marketing has been more extensively studied by economists than by psychologists, it

is evident that many of the bases of any study of marketing are distinctly psychological, since they have to do with the mental life of man. We learn that the function of marketing is to present commodities for sale at the proper time and place and in proper varieties, qualities, grades, and quantities to satisfy the need of the consumer. This involves a study of (1) the nature of man, which we took up in Part I, (2) the environmental factors which influence demand, and (3) the ways in which goods may be presented to stimulate demand.

We have arbitrarily divided the influences determining demand into two classes, subjective and objective. This distinction is at best artificial. In general, the subjective influences are those which are immediate to the customer, those which constitute his social environment and act directly on him to make him want certain kinds of things. The objective influences are, as a rule, properties of the goods themselves or the methods by which they are sold, which influence the buyer in doing his purchasing.

Among the *interplaying* subjective factors discussed in this chapter are (1) spending and earning power; (2) habits of saving; (3) standards of living; (4) social position; (5) habits of "following the style;" (6) liking for innovations; (7) desire for sameness; (8) desire for change.

Because the reader may misunderstand the operation of these various factors influencing demand, we again in this summary call attention to this important fact—it is only for pedagogical reasons that we discussed each factor independently of all the other factors. As a matter of fact, they never function as independent units. There is always an interplay of a number of factors as will be discovered when a study is made of the cases discussed in the chapter on merchandising.

In the next chapter we shall continue the discussion of the following subjective factors, as we have so far covered only a portion of the list; individual buying habits; family habits; sectional buying habits; community buying habits;

class habits; racial and religious habits; emotional influences; education; sex differences; climatic conditions; and fads.

PROBLEMS

III—6-13, 32, 33, 34, and 51.

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V

SUBJECTIVE INFLUENCES DETERMINING DEMAND

(Continued)

Individual buying habits. Family habits. Sectional buying habits. Community buying habits. Class habits. Racial and religious habits. Emotional influences. Education. Sex differences. Climatic conditions. Fads. Best presentation of stimulus to influence demand. Summary.

In the last chapter we started the discussion of the interesting subjective factors influencing demand. We shall continue the list here, just as if there had been no interruption.

9. *Individual buying habits.* People have their individual habits of buying certain things, in particular places and in definite quantities, varieties, and qualities at established prices. We learned something of the strength of these habits, and the manner in which they were formed, in Part I. After people have become accustomed to buying certain things in particular ways, it is difficult for them to do their purchasing otherwise, because the latter would require conscious effort—perhaps, even, reflection and decision.

10. *Family habits.* The habits of the individual are closely associated with the habits of those around him. The habits of the family as a unit soon become the individual habits of the person within the family circle. Certain religious ideas and practices, such as attending church every Sunday, become individual habits through family training. In the same way, a family's habits are built up from the habits of the individuals composing it.

The mother of the family, let us say, is in the habit of purchasing oatmeal in bulk and serving it for breakfast. The daughter, as she grows up, forms the habit of eating oat-

meal for breakfast. She learns to prepare it and, furthermore, to buy it in bulk. When she marries and starts housekeeping, she probably will continue to buy oatmeal in bulk, as her mother used to do. When the salesperson wishes to sell her oatmeal in packages, he finds no demand for it on her part. He has to break her old habit of buying and educate her to the new way. He advances the reasons for the change to cartons, saying that it is more sanitary and convenient to purchase oatmeal in that manner. The educational appeal as a rule produces the desired reaction and she soon forms the habit of buying her cereal in branded containers.

In marketing new products, or old products in new ways, it is usually necessary to break down such habits, or to link the product up with established habits, to produce the desired effect.

11. *Sectional buying habits.* Just as there is a difference in the buying habits of individuals, so there is variance in demand among sections of the country. Tea purveyors tell us that there is one area in which people prefer green tea and another in which the demand is almost exclusively for black tea. Corn meal intended for corn bread is not in such demand in the East and Middle West as it is in the South. In certain sections of New York City, customers seldom buy eggs which do not have white shells. Some of these same sections require that ducks be called "Long Island ducks," or they will not buy them. The shoe dealer, for instance, must see that the Fifth Avenue specialty shop is supplied with a different type of shoe than the Bowery store has. In marketing, the distributer must see that his goods are adapted to the section in which they are to be sold.

12. *Community buying habits.* Communities also offer difference in buying habits, just as do individuals and sections of cities and countries. Rural districts differ from large towns and large towns differ from cities, with respect to the demand for merchandise. The demand may differ

as to quality, variety, brand, or any such attribute. The resources of the community and the methods of doing things affect the use of commodities and the demand for them.

In the large city, for instance, canned fruits are in great demand. In fact, canned goods generally have a large sale there. In apartment buildings kitchens are small and housework is not otherwise so difficult as in the country or in the small town. The housewife is apt to spend her afternoons out, attending meetings, social gatherings and entertainments. In many cases the wife is employed during the day, as well as the husband. Food must be quickly and easily prepared. In the rural community the housewife spends most of her time at home and does not feel the need of so much prepared food. She has the time and the facilities to cook the family meals herself. Fruits and vegetables are cheap, or even raised at home, and she usually preserves these for future use, eliminating the demand for canned goods. The distributer takes such facts as these into account in planning his operations.

13. *Class habits.* One's demand for merchandise varies according to the class of society to which he belongs. The laboring man's demand is limited by restrictions which do not apply to the capitalists, for instance. Here we may also mention occupational distinctions. The professional man—the lawyer, physician, dentist—feels the desire or need for commodities other than the common laborer wants. These two types wish different clothes, different reading matter, different entertainment—different food, even.

14. *Racial and religious habits.* These are not grouped together because they are necessarily associated, but because they are similar in so far as they affect marketing. It is true that some races and nations do cling to racial or national religion, which influences their buying, but this is not true of all of them. The members of some races continue in the religion of their fathers and others adopt the religion of the land where they happen to reside. At any

rate, national, religious, and racial factors must be taken into account in marketing. Where one's religion demands that he eat no meat, for instance, or that he eat certain kinds of food, or abstain from certain kinds of food on particular days, it is useless to try to change his habits. The thing to do is to adapt one's merchandise to meet the demands of religion. Certain countries also have their national styles in clothing, from which their citizens cannot easily be persuaded to depart. Standards of living, pastimes, drinks, food, and many other customs and habits are often largely the result of racial history, racial environment, and religious factors. Consequently it is important to take these factors into account in marketing goods.

15. *Emotional influences.* In Part I we learned something of the importance of emotional appeals in business relations. The various emotions and sentiments, such as fear, love for family, and the like, are frequently responsible for the sale of merchandise, as we have seen.

A woman may desire to save her money, but at the same time she may be anxious to be well dressed. She wants to be pleasing to the eyes of those about her, perhaps because of the emotional response elicited from them, or simply because of the feeling of pleasantness it gives her to be well regarded. So she buys clothes, in spite of the conflicting desire to save her money.

A man may like to ride in a certain automobile. A feeling of pleasantness is produced when he does it. The only way to continue to have that feeling is to purchase the car. Anything that saves time, gives comfort, protection or direct pleasure, or produces results of similar nature, creates positive emotional disturbance. If one does not get the article which affords this sort of emotional excitation, he is likely to experience a distinct feeling of unpleasantness. These feelings of pleasantness and unpleasantness as well as the emotional life of an individual are powerful influences on demand for commodities.

16. *Education.* The growth of education has been mentioned as one of the factors responsible for the desire for change. Education has introduced new ways of doing things, new commodities and new uses for established articles. Cultured people are likely to be influential in creating demand which others adopt.

The extension of higher education to a constantly increasing proportion of the population tends to reduce the number of children in the families of those who receive advanced schooling. As families grow smaller, demand for certain merchandise changes. Where there are only one or two children in a family, the demand is usually for better quality articles for each child than if there were six or seven youngsters to be provided for. Where there are few children, it is reasonable to suppose that the needs, wants, and desires of each child receive closer attention than would be the case if the resources for satisfying them were divided among a larger number of brothers and sisters. When there are few children, the importance of each to the family is greater than if there were more of them.

Because the demands of children are receiving more and more attention, the distributer of merchandise must plan his appeal to reach the children as well as their parents. With the rise of boys' and girls' organizations which require uniforms, camping outfits, and merchandise of similar nature, young people are coming to do more of their own purchasing. The student of marketing must consider boys and girls as potential buyers, even though most of the money involved is actually spent by their parents.

17. *Sex differences.* Until about 20 years ago, no attempt was made to collect precise data on the subject of mental differences between the sexes. In the experiments of Helen Bradford Thompson at the University of Chicago in 1906, it was found that there were as many differences between various men as there were between men and women. The two outstanding differences between men and women were

that men were quicker in voluntary movement, as exemplified by tapping, and that women were superior in qualities of memory. The second difference between the sexes may have some significance in its influence upon demand for merchandise, due to the fact that advertised brands may be longer retained in memory by women, which would tend to create a greater demand for these brands on the part of women. There are, so far, however, no experimental facts that support the hypothesis of any great or important innate differences of intellectual ability between men and women.

As to anatomical variations between men and women, no significant difference has been found in thousands of measurements. The same is true of mental variability in men and women. Because of the lack of good scientific measurements, however, the conclusions as to this variability must not be regarded as final.

The division of labor, which assigns certain duties to men and others to women, has no *psychological* basis, so far as we know. It is largely the result of *physiological* differences. As to the inheritance of mental traits, it seems that daughters inherit these from their fathers as much as from their mothers. The fact is that we know of no conclusive experimental data which would definitely point out the supposed innate mental differences between the sexes. It would, therefore, be premature to speak of mental sex differences and their influence upon demand.

It must not be supposed, however, that men and women function entirely alike in influencing demand. Now that women have labor-saving devices in the home and have fewer children than formerly, they are afforded more free time. They are becoming shoppers to a greater extent. This is offset somewhat by the entrance of many women into the business world. The latter fact does not reduce the importance of women as buyers, however, as it actually brings women more into contact with the places where buying is done. Not so many years ago, when it was difficult for women to get to stores—when the men were the ones who drove to

town and the women stayed home—most of the buying was done by men. Today we are told that about three-fourths of all goods purchased for the home is bought by women. The home itself is chosen largely by the woman rather than the man. We are informed by numerous haberdashers and distributers of men's wearing apparel that women are coming more and more to do the buying of clothes for the men in their families.

The extra free time which women now have, and the increasing business contacts afforded them, coupled with the pleasure and fascination of shopping in large stores, causes them to observe goods more closely than they were able to do in the past and to become better acquainted with merchandise generally. As a rule, they have only a limited amount of money to spend and they are more careful about spending and the proper distribution of money than are men. A man, if he wants something, finds out how much that something costs and endeavors to earn enough money to pay for it. His wife, dependent largely upon a certain amount of money allotted by her husband for definite purposes, strives to buy as much as she can with what has been given her. Accordingly, she is more interested in sales, bargains, reduced prices, and anything which will increase the purchasing power of her money.

Many girls today are taught the value of goods in school. They frequently take courses which emphasize the methods of judging quality, such as studies of textiles and food stuffs. This tends to create a demand for serviceable goods and wholesome foodstuffs. The demand for certain fancy goods is also increased by this method of study, but on the whole, these courses of study tend to make women more practical in their buying, a fact which must be recognized by distributing agencies.

18. *Climatic conditions.* Fur coats and woolen underwear are not much in demand in sections of the country where cold weather never comes. Oilskin coats do not sell to

people where it never rains, as a rule. The distributer must adapt his merchandise to meet the needs of people according to the climatic conditions under which they live. This is true not only as it applies to different climatic zones, but also as it relates to the seasons and changes of weather within the various areas. In our temperate zone, for instance, individuals are likely to purchase winter clothes sooner if the fall is early and cold than if it continues to be warm until later. An extremely rainy season creates a different demand for goods than if it were dry. A hot summer evidences a greater demand for ice and vacation trips than if the weather is cooler.

19. *Fads.* Usually these are temporary, but occasionally they develop into permanent factors influencing demand. We refer principally to fads exclusive of style in clothing and such articles. When there is popular speculation as to the sanity of the defendants in a sensational and prominent murder trial, for instance, there arises a sudden demand for books on abnormal psychology. The arrival of the Prince of Wales in the United States is said to have increased the demand for books on the history of the royal house of England. The fad for cross-word puzzles and similar items of popular interest tends to promote a sudden increase in the sale of dictionaries. The introduction of the game of Mah Jongg to America created a sudden but comparatively short-lived demand for the sets of tiles with which it is played, as well as all sorts of accessories to it.

These 19 *interacting* subjective factors influencing demand have been suggested to show one type of problem which confronts the distributer of a product, whether he happens to be the manufacturer, wholesaler, jobber, or retailer. Naturally, there are other psychological factors involved, just as there are many elements to be considered which are not psychological at all, but these main points should serve to cover the general field of subjective factors influencing demand.

BEST PRESENTATION OF STIMULUS TO INFLUENCE DEMAND

We have now discussed the psychology of the consumer and the subjective factors which influence demand. We are therefore ready to study the best presentation of the stimulus to influence demand. This consists largely in determining and adopting for selling purposes the form in which goods appeal to customers most. As this was taken up in Part I and will be discussed again under *objective* factors influencing demand, it is hardly necessary to repeat it here. We learned, for instance, that canned goods put up in containers bearing red labels are more apt to attract attention than if they were wrapped entirely in gray paper. We know also that merchandise sells more readily if its taste, odor, and appearance are pleasing than if the contrary is true. We shall assume, therefore, that the reader is familiar with the channels by which goods may be made most attractive to the customer.

What we have termed the psychology of the consumer is simply a study of the wants, needs, and desires of man generally. Our observation of the factors influencing demand has been nothing more than a study of the buying habits and defenses of the customer. As we mentioned earlier in the book, these two phases constantly interplay. The third item in the program, that of the form in which the stimulus influencing the demand is presented, has equal importance in this interplay of factors. The function of marketing, then, is threefold: (1) to discover the needs, wants, and desires of the consumer; (2) to supply merchandise which will satisfy these needs, wants, and desires in accordance with the customer's buying habits; (3) to present these commodities in the form which will be most attractive to the customer.

SUMMARY

Continuing the list of *interacting* subjective factors influencing demand, which we started to observe in the pre-

vious chapter, we find the following: (9) individual buying habits; (10) family habits; (11) sectional buying habits; (12) community buying habits; (13) class habits; (14) racial and religious habits; (15) emotional influences; (16) change with education; (17) sex differences; (18) climatic conditions; (19) fads.

We have arbitrarily divided the influences determining demand into two classes, subjective and objective. This distinction is at best artificial. In general, the subjective influences are those which are immediate to the customer; those which constitute his social environment and act directly on him to make him want certain kinds of goods or services. The objective influences are, as a general rule, properties of the goods themselves or the methods by which they are sold, which influence the buyer in doing his purchasing.

We have not discussed the methods by which goods are most effectively presented to the public in this chapter, partly because this was taken up in Part I and partly because this sort of study will receive considerable attention in chapters to come.

After a more thorough observation of the problems of marketing, we have offered another definition of the function of marketing, as the reader noted in the last paragraph of the chapter proper, on the opposite page.

Unfortunately, little or no writing has been done by psychologists on this subject as the reader gathered from the preceding two chapters. All that we have done has been to utilize what meagre knowledge we have of social psychology—a field which is likewise in its infancy. Nevertheless, perhaps some suggestive light has been thrown on this important branch of marketing.

Problems

III—57, 60, and 61.
XVII—30, 34, and 36.

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VI

OBJECTIVE INFLUENCES DETERMINING DEMAND—PRICE

The causes of price. Purely psychological factors determining price: The satisfaction which the article gives; the possibility of effective substitution to satisfy fundamental needs and desires; elasticity or dispensability of goods; customary price level; the customer's standard of value. Price maintenance. Points for the retailer to consider in setting prices. Should prices be displayed? Summary.

In the last chapter we discussed what we termed, for want of a better name, the *subjective* factors which influence demand. We now propose to study the *objective* factors that influence demand. As has been previously intimated, we do not mean that factors such as habit, sex or convention are more subjective in the real sense of the word than such factors in influencing demand as advertising appeal or "sales talk." They are, it is true, both typical elements in bringing about reactions of the human organism to its environment. This distinction is only artificial and made for pedagogical reasons. The influence in each case is fundamental and pertinent, in spite of the manner in which it is classified for discussion.

We have adopted these two groupings in order to point out that the influence of such *interacting* factors as habit, sex, custom, and sensory stimuli is more lasting and the reaction more immediate than are the influence and reaction of certain other factors. This first group of factors, therefore, needs special attention and recognition when it comes to predicting demand at any given time. On the other hand, the relation of the two classes of factor is evident from the fact that members of the second class, such as educational advertising and salesmanship, and demonstrations of articles,

may change habits and customs, or even create fads and new habits. In this way new secondary desires may be created which in turn change demand.

Since some distinction is necessary for our study, we have chosen to class the following as *objective* factors influencing demand: (1) price; (2) advertising and selling; (3) publicity; (4) marketing methods; (5) trade names, marks, symbols, and designs; (6) packages, cartons, and the like; (7) window display, and so forth; (8) demonstrations; (9) store location; (10) store policy. These will be discussed in the order given here.

THE CAUSES OF PRICE

In studying price we must remember that we have a particular angle of approach—that of its influence on demand. The effect of market price upon demand is so well known that it scarcely needs to be mentioned here. The problem of market price and its effect upon demand is one of the most subtle issues in the field of economics. While we do not aim to discuss the subject of price from the standpoint of economics, yet we must admit that the psychological factors, which after all are the final ones, are influenced to a certain degree by the economic limits—cost of production and distribution. As Fisher says,[1] after discussing the economic factors influencing market price:

> Back of these (economic) causes lie other causes, multiplying endlessly as we proceed backward. But if we trace back all of these causes to their utmost limits, they will all resolve themselves into changes in the marginal desirability or undesirability of satisfactions and of efforts, respectively, at different points of time, and in the marginal rate of impatience as between any one year and the next.

Fisher precedes this paragraph by the following classification of the various possible causes which might decrease

[1] Fisher, Irving. *Elementary Principles of Economics*, p. 409. The Macmillan Company, New York, 1912.

the price of, let us say, pig iron in New York. Its price might fall for any of the following reasons:[1]

I. *A rise in the marginal desirability of money due either to*
  A. A rise in the purchasing power of money through
    1. A decrease in money or deposit currency, or
    2. A decrease in their velocities, or
    3. An increase in the volume of trade; *or to*
  B. An impoverishment or reduction of incomes

II. *A fall in the marginal desirability of pig iron due either to*
  A. An increase in the amount of pig iron used, through
    1. Importation of pig iron from other places where its price is lower than in New York, or
    2. Short sales of pig iron for future delivery in expectation of a fall of price, thus releasing to present use such stocks as would otherwise be held over for the future, or
    3. A decrease in its cost by
      (*a*) A saving of waste
      (*b*) A saving of labor
      (*c*) A decrease in the price of iron ore or other prices entering into its cost
      (*d*) An increase in the price of by-products, or
    4. A trade war; *or to*
  B. A fall in the marginal desirability of a given quantity of pig iron through
    1. A decrease in the price of iron products through a decrease in the marginal desirability of the satisfactions they yield, because of
      (*a*) An increase in their amount
      (*b*) A change in fashion, and so forth, or
    2. An increase in substitutes for pig iron, or
    3. A decrease in complementary articles, or
    4. An increase in the rate of interest whereby the value of pig iron is obtained (by discounting the value of iron products) through an increase in the marginal rates of impatience
      (*a*) From a change in human nature

[1] *Ibid.*, pp. 408-09.

(1) By decreasing foresight
(2) By decreasing self-control
(3) By increasing shiftless habits
(4) By decreasing regard for posterity, or

(*b*) From a change in incomes
(1) By shifting their distribution in time toward the future
(2) By reducing their size
(3) By increasing their uncertainties.

Or, as another economist says:[1]

No attempt has been made to investigate the causes of the rise and fall of prices. The aim has been to give only the prices as they actually prevailed in the market and such summaries thereof as appear necessary. The causes are too complex, the relative influence of each too uncertain, in some cases involving too many economic questions, to permit their discussion in the present report. An enumeration of some of the influences that cause changes in prices may be of interest, however. Such influences include variations in harvest, which not only contract or expand the supply and consequently tend to increase or decrease the price of a commodity, but also decrease or increase, to a greater or less degree, the purchasing power of such communities as are dependent in whole or in part upon such commodity; changes in demand due to changes in fashions, seasons, and so forth; legislation changing internal-revenue taxes, import duties or bounties; inspection as to purity or adulteration; use of other articles as substitutes—as, for instance, an advance in the price of beef will cause an increased consumption of pork and mutton and, it may be added, a probable increase in the price of both pork and mutton; improvements in methods of production which will tend to give either a better article for the same price or an equal article for a lower price; cheapening of transportation or handling; speculative manipulation of the supply or of the raw product; commercial panic or depression; expanding or contracting credit; overproduction; unusual demand owing to disputes between capital and labor in industries of limited producing capacity, as in the anthracite coal industry; organization or combination of mills or producers, thus enabling, on the one hand, a greater or less control of prices, or, on the other hand, economies in production or in transportation charges through the ability to supply the article from the point of production or manufacture nearest the purchaser. No conclusion

[1] United States Bureau of Labor Statistics, *Bulletin No. 114*, p. 22.

can be formed safely as to causes without an examination of the possible influence of several—in some cases perhaps all—of these causes. For example, the various internal-revenue and tariff acts have, in a marked degree, no doubt, affected the prices of proof spirits, of tobacco, and of sugar; but, on the other hand, they have not been alone in their influences, and it probably would not in all cases be accurate to give the change of tax or duty as representing the measure of a certain and definite influence on the prices of these commodities.

We also find the following causes given:

(1) Increase of gold supply, (2) exhaustion of natural resources, (3) rising standard of living, (4) withdrawal of population from agriculture, and the growth of cities, (5) trusts and combinations, (6) tariffs, (7) labor unions, (8) growth of population and unscientific methods of farming, (9) extravagance in expenditure, (10) waste and fraud in distribution, (11) uneconomical marketing and housekeeping, (12) speculation, (13) immigration.[1]

It would be incorrect, of course, to suppose that all of the factors really influence the market price at any given time. It would also be wrong to take it for granted that there are no other factors than those just named which bear this relation. We must remember, too, that factors not considered at present may develop in the future as the result of constant change in market conditions and methods.

HIGH AND LOW MARKET PRICE

These quoted passages are mainly concerned with the factors which determine prices on commodities. We must not lose sight of the fact, as we digress to study those things, that our main interest is the effect the price of merchandise has on the customer's demand for it. As a rule, high market price curtails demand, while low price increases it. This is not to be interpreted as universally true, however. Other market conditions may contribute toward changing the general tendency of demand. Some kinds of merchandise are

[1] Babson, Roger W. *The Annals of the American Academy of Political and Social Science,* September, 1911, p. 174.

more readily affected by price variation than are others. The demand for "elastic" goods—non-essentials and fancy articles—is affected more rapidly by a change in price than is the call for "inelastic" or staple commodities. This last item will be discussed later.

We must also take into account the fact that high prices usually exist at the time of greatest demand, while low prices are present when business is somewhat curtailed. This is in accordance with the well-known economic law of supply and demand—a law which never operates by itself—whose details we shall not discuss here.

High price at the time of greatest demand may also be accounted for in terms of speculation during the period of advancing price, when dealers want to make a large profit due to predicted advance in wholesale price. Suppose a grocer lays in a large supply of sugar when prices are going up, hoping to dispose of it when prices are considerably higher. If the "boom" is short lived and prices soon come down, wholesale rates being lower than what he paid for his sugar, he hesitates to sell at a corresponding low retail price, because he may lose money that way. He tends to hold the price as high as possible.

When the market is declining, the tendency of the retailer is to buy only small quantities at a time, for fear that the price will go still lower, or in hope of being able to purchase at a lower rate later on, perhaps just before the market rises again. The consumer also buys only what is necessary for his immediate need, in anticipation of still lower prices. The consumer is constantly exhausting his supply of the commodity, if it is a staple, at least, and keeps purchasing it in small lots, so that the sale of the article does not stop entirely. When the price level is as low as most people *think* it will go, and a rise is predicted, buying begins on a larger scale and soon price rises quite rapidly, due to the increased demand.

The influences governing the type of speculation just mentioned and the hesitancy of buyers generally about purchas-

ing on a falling market are largely psychological. Caution, due to experience—vicarious or personal, lack of confidence in the future, fear of uncertainty—these and similar factors are mental attributes and therefore the study of them belongs to the realm of psychology.

One effect of increasing the price of a commodity is naturally the attempt on the part of the customer to satisfy his need, want, desire or habitual demand with a substitute product. If the price of wheat were to rise suddenly, as it has at times in the past, people would soon come to use corn and rye products instead, provided the price of the latter did not rise proportionally. When the price of sugar rises, the demand for molasses increases. The high cost of leather brought on to the market numerous composition products intended to take the place of sole leather in shoes, for instance. When price is too high on an article with which it is customary for people to satisfy a fundamental need, the tendency is to seek other products which will satisfy the need at less cost to the customer.

PURELY PSYCHOLOGICAL FACTORS DETERMINING PRICE

No matter what economic factors are involved in the problem of price, these objective psychological factors influencing demand are most important and therefore deserve considerable place in our study of the determination of market price. Those in which we are particularly interested, because of their significance from the standpoint of psychology, are as follows:

1. *The satisfaction which the article gives.* If a commodity does not give satisfaction, it is reasonable to suppose that people will not continue to pay a high price for it, or that they may cease to purchase it at any price.

2. *The possibility of effective substitution to satisfy fundamental needs and desires.* We pointed out in a previous paragraph that when the price of a commodity rises, the

tendency is to find something else which will satisfy the need or desire at a lower cost. If no possible substitute is in sight, there is little danger of lessening the demand in favor of another article. Articles for which there are no substitutes, therefore, are generally apt to command a higher price than articles for which substitutes are easily obtained, other considerations being equal.

3. *Elasticity or dispensability of goods.* Certain articles are more necessary for the satisfaction of the needs of people than are others. In the first place, some needs, such as the need for food, demand satisfaction or life cannot exist; other needs are less important. In the second place, some articles have no competition in the satisfaction of a need; there are no substitutes in the field. Salt is one of these. So far no substitute has been offered for commercial table salt whose use is at all practical under existing circumstances. Even though the price of salt is raised a few cents a pound, the demand remains almost constant, since there is no danger of its place being usurped by a substitute. Salt is cheap because it is so easily obtainable, not because of competition with other products intended to satisfy the same need.

The demand for gold ornaments, on the other hand, depends largely on the price asked. When they become expensive, fewer of them are sold than when they are cheaper, other things being equal. Even in the case of non-essential commodities, however, there is difference in the manner in which price changes affect demand. Some articles, even though they are not necessities, give a great deal of satisfaction to their owners. Changes in price of non-essential articles which give a large degree of satisfaction are therefore not so important in influencing demand as are changes in price of non-essential articles which do not yield so much satisfaction. The quality and duration of satisfaction afforded by the possession of merchandise varies for different articles, different individuals, different times, and different places.

The reasons for the difference in satisfaction afforded by various articles, as mentioned above, are too numerous for mention here. Jewelry and furs, for instance, afford satisfaction to their wearer because of the social prestige they bring; they help to satisfy the desire to be well regarded and envied by others; they are also attractive in themselves because of the pleasing appearance they have. Mah Jongg, cross-word puzzles, and similar fads, used to afford considerable satisfaction to people because of their novelty, our desire to solve problems, and the fact that everyone else seemed to be interested in them; there was the desire to have what others possessed. Certain books give satisfaction to some people because they are in line with vital interests of religion and belief.

A deck of cards, for instance, offers varying satisfaction to different people under diverse circumstances. To some people, it presents no satisfaction at all; in fact, the prejudice against cards may even cause the feeling of unpleasantness. The experienced bridge player, on the other hand, may arouse a considerable feeling of pleasantness by skilful manipulation of the deck in leisure moments. The enjoyment of the bridge player, however, is not the same as that of the excitement afforded by a game of poker to the gambler, nor is it the same satisfaction which the lonesome player gets from a game of solitaire. Playing cards are typically elastic in the amount of satisfaction they afford.

This problem of elasticity narrows itself to three factors, as may have been intimated in the previous discussion. Demand for a commodity is elastic or inelastic according as it relates to (1) income, (2) desire, (3) satisfaction. Inelastic goods—staples—are in demand by people of small, as well as large, incomes. Elastic merchandise is in demand only when there is a surplus of income over what it takes to purchase absolute necessities—in rare cases they have a preference over absolute necessities. People will not pay high prices for things for whose use the habits are new.

Lastly, price affects demand according to the satisfaction afforded by the article, as we saw in preceding paragraphs.

4. *Customary price levels.* People become accustomed to paying within a definite range of price for certain articles. If a price considerably above the general range is asked, people refuse to pay it; if the price is radically lower than what is ordinarily paid, they are suspicious of the quality of the commodity. Suppose that prices on a certain type of piano ordinarily range from $350 to $650, according to make, material, and finish. If a dealer were to offer a new piano of this type to the public for $100, customers would naturally be afraid there was something wrong with the instrument or with the terms of the selling agreement. They would prefer to pay $350 or $400 rather than to take a chance on the $100 piano. In the case of less expensive commodities, however, this does not always hold true. If the established price for a loaf of bread were 15 cents, for instance, and a loaf of the same size appeared on the market for 11 cents, the probability is that poor people would buy one of the 11-cent loaves to find out whether or not there was a difference in quality sufficient to justify the cut in price. On the other hand, it would not be so difficult to charge 16 cents for a loaf of bread, on the strength of a patent sanitary wrapper, as it would be to increase the price of the piano in the same proportion.

These established price levels—established in the sense of being associated in the mind of the public with certain grades of merchandise—play a considerable rôle. For example, in the sale of automobiles. Let us say, for purposes of illustration, that the public has come to associate a range of prices from $400 to $800 with light touring cars. The next popular price range, we may suppose, is from $1,100 to $1,600, which includes somewhat heavier and more powerful automobiles. If a manufacturer tries to market a light car, of the class first mentioned, for $900, people think that is too much to pay; if he attempts to sell a heavier car, of

the second class, for the same price, $900, people are suspicious, fearing that there is some shortcoming in the car because the price is below the established level.

Such strong suspicion is often attached to goods marked under the established level of price that steps must be taken to overcome it. Many a dealer has been unable to sell merchandise at cut prices unless he explained the low price by advertising a "fire sale" or hanging up a "closing-out–selling below cost" sign. The manufacturer or distributer should therefore aim to market his goods well within established and customary price levels, or if this is impossible, to have a satisfactory explanation of the raise or cut in price, which is acceptable to the public. If he is selling a new article, which is governed by no established price level, he should be careful to set the right price at first, because it will be difficult to change after the buying habits and associations of the public have been formed with respect to his merchandise. The psychological reason for the existence of price levels lies: (1) in the association in the customer's mind of a definite price with a corresponding quality, grade, or quantity of goods; and (2) because of habits that people form to buy certain merchandise at a given price.

5. *The customer's standard of value.* If an article is not priced according to what the user thinks it is worth to him, there will be little demand for it. It is possible, of course, within reasonable limits, to educate people to think of certain commodities as being worth certain amounts of money. Suppose people think a package of mints is worth 5 cents. If price goes to 10 or 15 cents, they refuse to buy, no matter how much educational advertising appears to change their ideas, because the mints are not worth more than 5 cents, unless there is a radical change in the value of money. It may cost only 1 cent to manufacture and distribute each package of mints—the purchaser in this case is not particularly interested in the cost of production and distribution—but if the confection is worth 5 cents to him, he will pay it,

regardless of these other considerations. The value that customers put on merchandise is what finally determines its market price—these values, of course, are not rationally determined. As a rule, market price for something new is set by the distributing agency by trial and error. Once a satisfactory price is discovered, it becomes more or less permanently associated with the article in the minds of the public. The value of an article, however, is the result of the interplay of the following factors: (1) supply; (2) habit; (3) income; (4) desire; and (5) satisfaction. The degree of elasticity, as we have pointed out, is determined by income, desire, and satisfaction.

PRICE MAINTENANCE

Price-cutting, while it often serves to increase trade temporarily, is also responsible for many bad effects, especially if the article on which the price is cut is not a staple whose value is generally recognized by customers. Take high-grade ornamental goods, for instance—small paintings, vases, calendars, desk sets, and the like. There are, as a rule, all sorts of cheap imitations of these articles on the market. This sort of merchandise is dealt in extensively by small "gift shops," sometimes run by people who are more artistically inclined than they are along lines of business practice and promotion. The result is that there are many failures, many "selling out sales" at reduced prices. These low prices, coupled with the fact that so many cheap imitations exist and that the nature of the goods is such that the average customer knows little of the true value, tend to lower the demand for the merchandise at its regular price.

Price-cutting even reduces the value of well-known branded articles, so far as the buying public is concerned. If a certain brand of shaving cream is sold at different cut prices by several stores, the good-will and reputation of the cream as being worth a definite price is endangered. If a

man buys the preparation for 29 cents, let us say, he will not be so willing to pay 35 cents for the same brand next time. It does not seem worth 35 cents, after he has obtained it for 29 cents, because the value of goods in the mind of the customer is partly determined by its market price.

Because of the danger to the prestige of an article caused by price-cutting, some manufacturers stipulate that their product must be sold at a fixed price and no less. They often prefer to lower the quality of an article, or raise it, as the case may be, rather than allow the price to be changed. Often local dealers ruin the demand for an article when one cuts his price on it and the others meet competition by doing likewise. When the dealers realize that they cannot go on selling the article at a reduced profit, they raise the price again, and the confidence of the public is apt to be destroyed. If one dealer raises his price on a certain article before the others do, it is evident that he will lose trade to the other dealers.

In planning to market an article, therefore, it is essential that the manufacturer or distributer decide upon a "reasonable" price to each of those who handle it, as well as to the consumer, and take steps to see that it is constantly maintained, in order to avoid the danger to demand involved in price-cutting. Of course if the commodity is a staple where competition is great and where price is shifting constantly—butter, for instance—demand is constant and the margin of profit is so small that no dealer can afford to cut prices long without losing money.

There are times, of course, when great changes in national life, such as those wrought by the World War, bring about entirely new price levels with little change in demand. In such cases, however, conditions are so abnormal generally, that changes in price and demand are no more accountable under normal rules than are other happenings. When there is a sudden demand for raw materials and manufactured goods upon which the safety of the country depends, price, for instance, is a relatively unimportant factor.

As a rule, retail price does not closely follow all the changes in wholesale price. Wholesale price is constantly fluctuating. If the retailer were to change his price every time the wholesaler did, he would be compelled to spend a good deal of his time explaining the change to his customers. It is true that some articles, especially perishables, such as butter and eggs, are constantly changing in retail price, but these are exceptions due to particular circumstances of trade. The public has been educated to these changes to such an extent that it accepts them. Generally, however, the buyer has more faith in an article if its price remains somewhat constant than if its retail market value shifts too frequently. For this reason, which is largely psychological, retailers do not, as a rule, follow every shift in wholesale price with a corresponding raise or reduction in their price to the customer.

POINTS FOR THE RETAILER TO CONSIDER IN SETTING PRICES

F. E. Clark[1] points out the following ways by which retail price is determined:

(1) At a certain "mark-up" above cost; (2) by custom or convenience; (3) by an estimate of what the most satisfactory price will be; (4) at a price suggested by the manufacturer; (5) as a result of price understandings with competing stores; and (6) by following the price set in competing stores.

The evils of price-cutting and failure to maintain steady prices were discussed in preceding paragraphs. We did not mention, however, that cut prices and "odd" prices frequently are used to advantage, as well. When the price of a well-known brand of merchandise which enjoys the confidence of the public is temporarily decreased a trifle, a considerable amount of good-will may be produced. If the cut in price is small, and the purpose of the offer is frankly to get people to come to the store, the suggestion is con-

[1] Clark, Fred E. *Principles of Marketing*, p. 424. The Macmillan Company, New York, 1923.

veyed that the margin of profit is not large and that the storekeeper is doing a favor to the customer by reducing the price a bit. The good-will so created applies both to those who are most interested in price and those who pay special attention, because price and quality are both factors in the bargain. Where prices can be cut without risking loss of confidence, buying in general is often considerably stimulated.

The influence which "odd" price has among certain classes of people is said to be quite important. Some merchants are successful in rapidly selling articles advertised at $1.89, for instance, the inference being that it is a good deal less than $2. We have been told by storekeepers that when an article could not be sold at $1.50, it would sometimes move rapidly off the shelves at $1.69, because of the bargain suggestion attached to odd figures of price.

A book may sell much more rapidly at $1.89 than at $2, largely because of the optical illusion and suggestion involved. The "$1" in "$1.89" is the first and most impressive part of the complete figure; the difference between "$1" and "$2" is so great that the difference between "$1.89" and "$2" seems more than it really is. The ".89," being the last part of the total figure, does not seem so important as the first. There is also the suggestion, especially in mail-order catalogs and similar agencies of distribution, that odd figures in price represents close figuring as to the cost of production, low profit, and consequently high quality and value for the money. The author is acquainted with a man, and there are numerous other people like him, who would rather pay a mail-order house $1.89 plus 18 cents postage, total $2.07, for an article, waiting a week to receive it, than to purchase the same thing at a store a block away for $2. If the distributer wishes to market his product among the class of people to whom "bargain prices" appeal (and these are attractive in some measure to most of us), he will do well if he makes some arrangement for an odd price on his commodity.

SHOULD PRICES BE DISPLAYED?

The question frequently arises as to whether or not it is wise to mark the price of articles prominently, or to keep price in the background, giving preference to other selling points. Like many other questions, this one cannot be satisfied with one general answer. It may be said, however, that for high-grade articles, where quality is the standard employed in judging them, price is not of prime importance—it is not the motivating factor—and therefore should not be displayed too prominently. In selling high-grade watches to well-to-do customers, for example, it would not be wise to place too much emphasis on price. It is best first to convince the customer that a certain watch is the one he wants, regardless of price, and then to convince him that the price is reasonable.

If the article is being sold to people to whom price is an important consideration, it is usually well to display the retail cost prominently — here the important motivating factor is cost. A displayed price gives many customers a definite idea as to the value of an article. A man may have no particular desire to own a radio receiving set, let us say, because he believes that radio outfits are expensive articles, probably not within reach of his purse. When he sees a small set advertised at $15, he suddenly realizes that it is possible for him to own one and he becomes interested in radio sets generally. Previous to seeing this one advertised, he had no idea of the money value attached to such articles.

If the price is not displayed on some articles, people are likely to judge money values according to what the things seem worth, in terms of individual standards, rather than generally established market values. Then when these people learn that the actual price is above what they had in mind, they refuse to pay it and do not come into possession of the merchandise. Suppose a man sees a small, novel clock in a jeweler's window and likes it. He gets to thinking about how nice it would be to have that timepiece, and decides

that if it does not cost more than $5, he will buy it the next time he passes the store. The $5 limit, by constantly being repeated in his thought, becomes a more definite idea each time he thinks of it—it becomes associated with the clock. When he goes into the store and finds the clock costs $10, he does not buy it, because the association which suggests that it is worth only half that amount has become a belief. If the price had been displayed on the article, the idea of $10 would have become associated with the clock and he might not have refused to pay it. On the other hand, the original sign, "$10," might have scared him away from further consideration of buying the clock. Which way the suggestion works depends on the individual history of the customer; it is hard to give general rules in regard to displaying prices. As this problem is largely one with which the retail dealer is concerned, however, being in touch with the individual situations in which decisions must be made, he can display the price at times and withhold the price at others, according to the circumstances of each total situation under which the problem arises.

SUMMARY

This chapter introduces us to the objective influences which determine demand—those properties of merchandise and the methods of selling it—which make people want to buy things.

The first of these objective influences is price. Price, we have seen, is determined by a great number of interacting factors, some of which are economic and some of which are psychological. We find that speculation, which is largely responsible for some of the rapid rises and falls of price, is the result of psychological influences. Even experienced dealers overload on a rising market, thinking that prices will continue to go up indefinitely, and do not buy enough when prices are low, because they think the same tendency will prevail for some time to come.

Some of the psychological factors which go to determine market price are: (1) the satisfaction which the article gives; (2) the possibility of substituting some other article to satisfy the same need; (3) the elasticity of goods; (4) customary price levels; and (5) the customer's standard of value.

The determination of selling price is an important consideration in marketing. In order to avoid psychological mistakes in retail price-making, the person who sets the price should make a thorough survey of economic conditions, so as to be sure that it will not be necessary to make changes for economic reasons, and then decide upon a figure which meets the requirements according to the psychological factors mentioned in the preceding paragraph.

Where customers are primarily interested in price, due to economic limitations or habits of buying at cut rates, odd prices are often more effective than round numbers. Where people are "quality" buyers, to whom price is not the most important factor in selection, it is usually detrimental to display odd prices on goods. Sometimes it is best not to suggest price until people are "sold" on quality. If customers are interested in getting as much for their money as possible, without caring whether or not quality is of the highest, so long as they get the best they can for the price, then it is usually best to display the figures of market price. There are so many factors in these cases, however, that no general rules can be made to cover all situations. Judgments must be based on *individual total* situations only.

In the next chapter we shall continue the study of objective factors determining demand by taking up the subject of the influence of advertising and selling.

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VII

OBJECTIVE INFLUENCES DETERMINING DEMAND—ADVERTISING AND SELLING

Advertising and selling define needs. Advertising serves as a reminder. Manufacturers' advertising. Stimulating consumption and influencing trade. The danger of advertising not supported by distribution. The advantage of introducing new goods intensively in small areas. Influencing demand by advertising to the consumer. Function of the middleman. The curbing effect of the retailer upon the influence of advertising. Use of branded merchandise in advertising and selling. Consumers' defenses against advertising and selling: the limits of income or earning capacity; the desire to save; habits of saving; buying habits; social standards; standards of living; knowledge of goods; standardization and maintenance of prices. Multiplicity of appeal; impossibility of immediate action. Publicity. Summary.

In Part I we learned something of the influence of advertising and selling methods in causing people to buy merchandise. Thus we see that they are extremely important factors in determining demand for merchandise. As there will be special parts on both of these subjects, we shall confine the present discussion to the ways in which advertising and selling influence demand, leaving special considerations for later treatment. While more mention will be made of advertising than of selling, the principles of both in regard to demand are fundamentally the same, and what is said of advertising will usually be true of selling also.

ADVERTISING AND SELLING DEFINE NEEDS

Frequently the needs, wants, and desires of the consumer are not clearly defined, as we learned in Part I. Advertising—and salesmanship, too—helps to define needs and make people conscious of them. As we shall see in Part III, people were not conscious of the all-year-round need or de-

sire for oranges until the growers made them realize it through advertising.

At times people have needs, desires, and wants of which they are vaguely, or perhaps fully, conscious, but they do not know how to satisfy them. Advertising and salesmanship may suggest a solution of the problem and thus influence demand. Suppose a man wants to forge ahead in business and social life, but does not know how to go about it. An advertisement of a correspondence school may furnish the satisfaction of his desire. The simple desire is then turned into a definite demand for correspondence courses.

ADVERTISING SERVES AS A REMINDER

Advertising also influences demand by reminding people to act as a result of previous suggestion or in accordance with established habits. The smoker may be reminded of his habit of using cigars by an advertisement or by passing a show window filled with smoking articles, for instance, which increases the demand for cigars.

In other words, advertising in the buyers' market may educate people to the use of new products, but only in so far as the use of these will better solve their individual problems of need or desire. Advertising aeroplanes for sale in a magazine chiefly read by women and children of moderate means would not be apt to increase the demand for them, for instance. But, on the other hand, an advertisement of a new radio appliance placed in a national magazine or a magazine devoted to radio news may help numerous people to solve problems of desire or need.

MANUFACTURER'S ADVERTISING

Advertising is also useful in marketing because it often brings the manufacturer in direct touch with the customer, thus eliminating the middleman and decreasing the cost of handling merchandise. This type of selling, however, does

not work so well with some products as others. Unless people are in the habit of dealing with mail-order houses, for instance, they would rather buy such articles as soap, coffee, chewing gum, cloth, and other articles of common usage, in local stores rather than through the mails. Books, however, are effectively sold direct by mail.

ADVERTISING PREPARING THE WAY FOR THE SALESMAN

Advertising may also be used in marketing to prepare the way for the visit of salesmen. If the salesman has to explain all the details of his product, he must spend more time with each customer than would be necessary if the customer had previously been informed and influenced by advertising. Advertising may also work hand-in-hand with personal selling, one reinforcing the other.

STIMULATING CONSUMPTION AND INFLUENCING TRADE

We may say that advertising influences demand principally in two ways: (1) it stimulates consumption; (2) it guides the course of business into the channel desired by the advertiser. Advertising is used to stimulate consumption, not only to increase the total volume of business, but to increase the demand for certain lines in which trade happens to be slow. A department store owner may find that he has a large stock of women's shoes which are not selling rapidly enough to suit him. He focuses his advertising on these shoes, with twofold result: the store's general prestige is enhanced by the appearance of its name, and the attention of prospective customers is drawn to the shoes. The advertiser may also increase his total sales and at the same time introduce new goods to the public.

The second way in which advertising influences demand is of considerable importance in marketing. Suppose, for instance, that an automobile manufacturer finds he cannot

make much profit on his cars, for some reason. He discovers, let us say, that it would be better to make tractors. By advertising them, he creates a demand for tractors, putting the demand where he wants it, instead of in the automobile business, where his profits were not so large.

As a rule, people cultivate their demands—that is, as they break old habits of buying and form new ones, certain of their demands increase and others fall off. As the habits become stronger, the demand is greater and more steady. This constant cultivation of demand is influenced by advertising, salesmanship, and other forces which increase the good-will invested in merchandise, add to its reputation or suggest new uses for it. For example, it is only recently that advertising and salesmanship have combined to persuade people to eat raisins as confections. Very few people thought of eating raisins as they would candy until raisins were put up in handy little packages which they have habitually associated with confections, and advertising suggested the good taste and healthful qualities of raisins. As soon as people formed the habit of eating raisins between meals, the demand increased.

THE DANGER OF ADVERTISING NOT SUPPORTED BY DISTRIBUTION

Advertising may prove a detriment to trade, instead of an advantage, if it is not properly used. A well-known manufacturer of brushes decided to increase his line by the addition of several new models which he thought would appeal greatly to the public. At first he did not manufacture many of the new product, but he put on an extensive advertising campaign. He took few steps to place the articles in the hands of jobbers and retailers, figuring that there would be no great demand for them at first. When the public noticed the new brushes advertised, due to the good-will towards the manufacturer, the demand at once

was very large for the new product. The retailers, not having the new brushes in stock, sold their customers similar merchandise of another brand. Thus the customers got in the habit of using articles of another make. When the manufacturer finally produced his new line in sufficient quantity to supply a large number of jobbers and retailers, the customers were so in the habit of using the competing article that they did not care to try the one which they wanted in the first place. If dealers are not supplied with the article for which a demand is to be created, or some other means of getting the commodity is not provided, advertising may simply create a demand which is filled by a rival product. In that case, the expense of advertising is not only a total loss, but competition is considerably strengthened; people who ought to be customers in the first place are no longer good prospects, because they have discovered a satisfactory method of fulfilling the need created by advertising.

The manufacturer of a good four-cylinder automobile recently advertised that in six months he would produce a fine eight-cylinder car. His name carried with it considerable prestige and the announcement interested numerous people in eight-cylinder automobiles. These people thought that if this particular manufacturer believed in eight-cylinder automobiles, they must be good machines generally. As a consequence, they were more interested in eight-cylinder cars than in the four-cylinder machines made by the same company. They decided not to buy cars until the new eight-cylinder model came on the market. During the six months' wait, however, many of them became impatient and bought other eight-cylinder machines. If the manufacturer had waited until he was ready to put his new model on the market before he announced it, he would not have lessened the demand for his four-cylinder cars, nor would he have lost the customers who bought other eight-cylinder cars after he "sold" the idea to them.

THE ADVANTAGE OF INTRODUCING NEW GOODS INTENSIVELY IN SMALL AREAS

As a rule, it is not good policy to try to market a new product throughout the entire country at the same time. It is better to develop one section at a time. If an intensive advertising campaign is put on in a limited area, the proportionately high cost of getting dealer distribution is offset by the quick demand which is created for the product. If the advertising is spread over the whole country at once, the demand cannot be created as quickly as it can in a small territory intensively worked, unless a huge amount of money is expended. Yet it is necessary to have just as extensive dealer distribution where the demand is created slowly as where it becomes large enough in a short time to be profitable.

Suppose, for instance, that a manufacturer wishes to put a new confection on the market. He can simply advertise widely, trusting that a demand will be created which will cause retailers and jobbers to order his product, or he can get the distributers to put in a stock of his merchandise on condition that he will influence a demand for it by an extensive advertising campaign. The former method is not considered to be so economical as the latter, in our judgment. In either case, it is probable that it will be most effective to divide the country into territories and work each separately. If the candy is put in the hands of all available local dealers and jobbers, and an intensive advertising campaign conducted, by the distribution of samples, by newspaper and local magazine advertising, perhaps, the *habit* of using the confection may be inculcated in a short time and the intensive work moved to another territory. After the confection has been introduced to a large part of the country, it will be found profitable to run "reminder copy" and display advertising in magazines of national circulation—more profitable, we may say, than

to use it for introducing the new product in the first place. Most companies which start operation on a small basis use this method of distribution, though not always intentionally. They naturally open up the territory near home at first, gradually expanding into other sections as their resources grow.

INFLUENCING DEMAND BY ADVERTISING TO THE CONSUMER

It is obvious that when one wishes to sell a commodity, such as raw material or machinery, to manufacturers, advertising it direct to consumers is ordinarily of little avail. Even advertising in trade papers and similar media read by manufacturers will hardly sell raw material in any great amount. There are numerous special cases, however, where merchandise is to be sold to manufacturers, in which advertising may play a profitable rôle. When "self-starters" for automobiles were first introduced, for instance, it was quite effective to advertise them to the public, so that a demand was created. People wanted these starters so badly that manufacturers were forced to include them as part of the equipment.

We have mentioned the fact that advertising sometimes makes it possible to dispense with the middleman, and sometimes even with the retailer. It is possible, after making a thorough survey, to determine the needs, wants, and desires of the consumer and the degree in which the product to be marketed satisfies them, to conduct all selling quite profitably by the mail-order method. Many products today are not sold in retail stores at all, nor are they sold by agents, all business being carried on directly between manufacturer and customer. After a mail-order house has filled one order for a customer satisfactorily, a certain amount of good-will has been built up, which increases as business relations continue, just as is the case with retailer and customer.

Advertising may even force jobbers and retailers to carry

goods which they do not want to handle, because if they do not deal in these commodities, they lose business to houses that carry them. Suppose, for instance, that customers have been educated, through advertising of various kinds, to demand a certain line of canned goods. Let us say that the manufacturer allows distributers a far smaller margin of profit than does a rival concern on the same class of goods—so small, perhaps, that it does not seem worth bothering with. The retailer and the jobber naturally would rather carry the line which offers greater profits. Customers, however, demand that particular line of goods, and if it cannot be procured at one dealer's, they go to the store where it can be gotten, ceasing to patronize the store which does not have what they want. Dealers are therefore compelled to handle the line of goods in self-defense, even though it does not offer much profit in itself, for fear of losing good-will and strengthening competition by sending customers to other houses.

THE FUNCTION OF THE MIDDLEMAN

In the type of case just mentioned, the jobber is not fulfilling his true function, in that he is not finding a market for the manufacturer's product. The latter has created a demand and a certain amount of good-will. He could perhaps dispense with the jobber and sell direct to the retailer, or even to the customer. He could keep in touch with the state of demand through his dealings with customers and by the aid of questionnaires and such instruments of gaining knowledge of the retail situation. Yet, while it is possible—frequently, too—to dispense with the middleman and even the retailer, this is not generally successful, for economic as well as psychological reasons.

We are told by economists and experienced business men that it actually costs more to distribute the majority of products direct to the consumer than it does to utilize established distributing agencies. Another economic consideration is

that the middleman performs the storing function, that is, he buys in large quantities—so as to take products out of the way of the manufacturer—and stores them for distribution to retailers. As a rule, instead of selling only one order of a certain kind of merchandise, as the manufacturer would do, he sells large orders of different kinds of goods, the selling cost being about the same as if he sold only the one article. For instance, where the manufacturer would sell two gross of canned peas to a grocer, the jobber might sell two gross of canned peas, six dozen sacks of flour, two gross of canned peaches, a gross of breakfast food, a gross of canned salmon, and numerous other items, combining the products of numerous manufacturers under one selling cost.

In marketing most products, it is difficult to eliminate the wholesaler, because he is the one most depended upon by the manufacturer to furnish reliable market information. The jobber occupies a strategic position in the distributing organization which enables him to report market conditions accurately. He can be more objective than either the manufacturer or the retailer in his study and observation.

In the first place, the wholesaler makes use of his salesmen in keeping an index of demand and market conditions. By the aid of this information, he enables the manufacturer to avoid over- or under-production. The manufacturer, on the other hand, wants to keep his employees working, to utilize his machinery and to use his raw material. His interpretation of market conditions is likely to be influenced by these considerations. The view-point of the jobber is apt to be more sound, because he knows how much he can sell and he has no temptation to overbuy, such as the manufacturer has to overproduce. There is danger that the jobber may not give the manufacturer reliable information, however. Suppose a wholesale grocer carries five different brands of canned goods. He prefers to sell one brand rather than the others, because that one nets him a larger profit. In order to make this possible he is apt to advise the other four canning companies to reduce production, as there will

be little demand for their products, hoping thus to hinder competition for the brand he favors.

The wholesaler is in a better position to study market conditions and tendencies than the retailer, because the former obtains the consensus of numerous retailers. Even though the manufacturer has branch stores himself, this tends to be the case. The middleman is far enough removed from the customer so that he notices general trends rather than individual rises and fluctuations. The retailer is apt to form his opinion, consciously or not, from a small number of particular cases. He tends to generalize on too scanty data.

Suppose that in the course of a week the proprietor of a general store in a small town has occasion to try to sell a particular style of overshoe to five, or even ten, customers, none of whom like it at first sight. This is sufficient to convince him that the overshoes will not sell, not only because everyone who has seen them disapproves of them—for the number is small—but because the suggestions of these customers have produced conviction in his mind. The jobber, however, deals with hundreds of retailers and the consensus of these tends to be more reliable than the individual opinions of any retailer could be. The retailer cannot have anything but a local view-point, never one which is national in scope. Yet the middleman is not so far removed from the consumer that he does not know the general trend of change in demand, taken as a totality.

Then again, it usually happens that the retailer likes to trade with the middleman rather than with the manufacturer. This is partly because of habit; the wholesale system of distribution is well established and he has become accustomed to it, finding it quite satisfactory. Then, too, the middleman offers the retailer a larger choice of brands, often closely competing articles, than does the manufacturer. If the dry-goods merchant, for example, buys sheets and pillow-cases direct from the manufacturer, he has to take merchandise of one particular make; the chances are that if he buys

from a jobber he has a choice of numerous makes of linen. In the latter case, he thinks he is getting a better bargain, because he is afforded more of a chance to exercise reason and decision. He is also apt to think that the advice of the jobber is more reliable, because the latter is not supposed to be any more interested in selling one brand than he is another. In the case of factory sales, one would naturally suppose that the manufacturer would favor his own make when he gave advice.

Feeling that he can rely on the advice of the jobber as to market conditions, the retailer may spend more time looking after his own selling operations than if he dealt with the manufacturer and had to be constantly keeping in touch with the shifting and growing change of the market. He is even willing, at times, to pay higher prices to the jobber than to the manufacturer, for this reason. The middleman is in a good strategic position to supply market information to the retailer, just as is the case with the wholesaler and the manufacturer.

THE CURBING EFFECT OF THE RETAILER UPON THE INFLUENCE OF ADVERTISING

We have mentioned the fact that advertising could be used to influence demand so that dealers are practically forced to include certain articles in their stocks. We also called attention to the way in which advertising helped to sell rival products in cases where the advertised commodity was not readily available to the customer. We cannot overlook the fact that the retailer can sell customers substitutes for the things they profess to want. For this last reason, if for no other, the manufacturer usually finds it profitable to keep the good-will of the wholesaler and retailer by marketing his product through them.

Unless the manufacturer has a product which satisfies a human need, want, or desire that can be satisfied by nothing else and the public has come, through habit and education,

to demand the article so strongly as to go out of its way to get it, there is danger of substitution. Suppose a large number of people have become used to a certain brand of tooth-paste, because it is the best tooth-paste on the market, the cheapest, the most pleasant in flavor, the handiest, and has been used for a long time. For the sake of illustration we give it every advantage, both as to quality, price, and general usage. Now suppose that dealers, wholesalers, and jobbers refuse to handle this brand. For a time numerous customers order it by mail from the manufacturer, because it is too expensive to sell it through traveling agents. As time goes on, however, these customers accept substitutes because they are easier to get or because the suggestions of salespeople have persuaded them that something else "is just as good." Soon they become accustomed to other dentifrices, the price of these others is satisfactory, and above all, they have formed habits which cause them to like the substitutes. Now, to use the original tooth-paste would take effort and finally the formation of new habits.

The demand for *tooth-paste* is, after all, more fundamental than the demand for a *particular brand* of tooth-paste. This is a general principle, illustrated by this specific example. Even though the manufacturer influences the demand for his brand of article, as long as some other brand or some other article will satisfy the desire to clean the teeth, which desire he might have intensified, there is likely to be substitution. When we read Part IV it will be noticed that buying, most of the time, is not on rational bases. For this reason, the manufacturer must, as a rule, keep the good-will of distributing agencies, so as to avoid the more violent forms of competition.

USE OF BRANDED MERCHANDISE IN ADVERTISING AND SELLING

All of this discussion brings us to the problem of the manufacturer in selling his private brand to the middleman and retailer. Its solution may be said to consist of two

parts—(1) advertising, (2) selling—just as most marketing problems do. Many manufacturers, though they realize the importance of advertising to influence the consumer, fail to give enough consideration to advertising directed to middlemen and retailers. The dealer must believe in the goods he handles if he is to do so effectively; he must have confidence in the brand and a desire to sell it, even though others might yield him a higher margin of profit per sale. Advertising may be used to "sell" propositions to dealers, as well as to reinforce the efforts of salesmen. For this reason, some manufacturers have men on the road mainly to create good-will.

Let us take the example of a manufacturer who is introducing a new brand of merchandise. He plans to advertise it extensively while his competitors do not advertise their wares. As a result, the cost of his product will be higher to the middleman than that of other brands, because advertising is expensive. Of course, some of the expense will be taken care of by the increase in demand for the advertised product. In getting middlemen to carry his line of goods, he must get around the fact that his goods offer a lower margin of profit than others do. He can do this partly by advertising directed to dealers, explaining the campaign that is to be put on among consumers and showing that this campaign will produce such a demand as to make it profitable to handle his goods, due to the fact that the large volume will make up for the smaller margin of profit.

We pointed out recently that advertising cannot overcome the possibility of salespeople substituting something else when people ask for the article advertised. Not long ago a group of seemingly experienced and competent judges of advertising were asked to pick out the hosiery advertisements which they thought were most effective in producing sales to wearers. All of the concerns represented were well-established firms, so that it would be reasonable to suppose that the one which had the most effective advertising would

sell the greatest number of stockings. As a matter of fact it was discovered that the manufacturer who was generally conceded to have the best advertising did not have the largest sales. The manufacturer who had the largest sales was one who, in addition to advertising to the public, paid a good deal of attention to jobbers and retailers, convincing them that his product was the best. The well-organized retail distributers made possible his large business.

CONSUMERS' DEFENSES AGAINST ADVERTISING AND SELLING

In connection with the discussion of the effectiveness of advertising and selling, in marketing, it may be well to point out the many interesting defenses which tend to offset their influence on the consumer. Because some of these have been mentioned in Part I and others will be studied under the subject of advertising and selling, these things will be accorded only brief notice here.

Among these *interdependent* defenses which the consumer builds up against the influence of advertising and selling are:

1. *The limits of income or earning capacity.* Unless a man is fabulously wealthy, he cannot readily yield to the appeal of every advertisement or "sales talk" he sees or hears, because he does not have the money to do it.

2. *The desire to save; habits of saving.* Most people have learned by experience that saving is worth while, and they know that if they heed the appeal of advertising and salesmanship too much, they cannot save. So they tend to hesitate about spending their money.

3. *Buying habits.* A man may have a habitual price level, over which he will not pay, as for example, he may never pay more than $5 for a hat, regardless of the appeal presented. He may also have definite habits of buying only certain goods at stated intervals; he may buy one suit in

the spring and another in the fall, positively no more. Perhaps he always buys these suits at the same store and usually he gets clothing of uniform quality and price, as he has learned that it satisfies his needs.

4. *Social standards.* This factor was mentioned not long ago as one which served as a stimulus to buying. It may also act as an inhibition. The average country merchant, for instance, would not be particularly tempted by advertising to buy a "full dress suit," if those in similar social position never wore formal clothing.

5. *Standards of living.* This is another of the factors mentioned as a stimulus to buying which may also act as an inhibition. People tend to keep *down* to their standards of living, in buying, just as they try to live *up* to them.

6. *Knowledge of goods.* If people know the comparative values of goods and can recognize true quality, they are not so apt to be misled by advertising or salesmanship as if they knew nothing of the market or of quality and value.

7. *Standardization and maintenance of prices.* The establishment of set prices and the consequent elimination of "higgling" has made buying safer for the customer, as a rule. Under this system, the merchant usually sets a reasonable price according to quality, instead of asking a high price under the hope of getting as much as he can of it. (On the other hand, the customer is apt to be overconfident and buy carelessly, thus being open to the suggestion of advertising and salesmen more than if he shopped with a higher degree of suspicion.)

8. *Multiplicity of appeals.* Advertising today offers so many appeals to the individual that he cannot begin to act on all of them. Many competing appeals bring about indecision and inactivity. Normal immediate action in response to suggestion is thus impossible. This brings reason or inhibition into play, often preventing foolish buying.

9. *Impossibility of immediate action.* The most appealing advertising usually comes to people when they are not where they can instantly buy the articles advertised. Much of the effect of advertising wears off before people get to stores where the merchandise may be purchased.

PUBLICITY

Publicity is an influential factor in demand. Here we refer to public mention other than that which is obviously paid advertising. For instance, if a newspaper article mentions that the Prince of Wales is stopping at a certain hotel, the prestige of that hostelry is enhanced considerably. A rumor was once spread that a certain hotel did not want children as its guests. The hotel lost business, because families with children went to other places. The effect of this rumor was counteracted by newspaper articles telling of the adoption of special menus for children at this particular hotel. This was something novel and had "news interest"; therefore it was carried by the papers. The result was that people knew children would be welcome guests at the place, without being told directly.

News of inventions frequently causes a demand for them. A story telling of the wonders of a radio invention makes people want to possess it. The announcement of a medical or surgical discovery often brings numerous patients to the doctor who made it. An article about the large salary paid an actress leads people to believe she must be an exceptional performer, because of the high price she receives for her talent.

The effectiveness of "news" publicity lies largely in the fact that people are less skeptical and less guarded against suggestion when they read news than when they read advertising obviously intended to cause them to part with their money. When a man reads an advertisement he is apt to think, "That is only advertising and one mustn't believe

it all." When he reads news, his interest is in news; his attention is focused on news and suggestion is not so much inhibited as it is when he is reading advertising.

In planning to market a commodity, therefore, it is well to study the article to see if it has interesting points which might bring it publicity. Some objects, of course, have little which can be of particular news value. In such cases, however, it may be that a new or novel method of manufacture might gain publicity for the product. The formation of the company which is to market the article may be news, or the public may be interested in personal items about some of the individuals connected with its manufacture or distribution. More will be said of these points of interest in Part III.

SUMMARY

Following the subject of price, which we dissussed in the previous chapter, we have just studied the second principal objective influence on demand—that of advertising and selling. Advertising and selling are grouped together in the result they produce, because their principles are much the same. These two forces serve to point out people's needs to them, suggesting ways of satisfying their desires, and remind them of things they ought to buy. Advertising and selling also tend to make people want the things which it is most profitable for manufacturers and dealers to sell them.

This chapter has pointed out to us that it is unwise to advertise products which are not easily accessible to consumers, as the demand so created may then be satisfied by the product of a rival firm, and once the habit of using competing products is inculcated, it is difficult to change it.

Some manufacturers have been successful in selling merchandise direct to the consumer, through the medium of advertising. Others compel middlemen and retailers to handle their products, by using advertising to make the public want these articles and ask for them in the stores they

patronize. In general, however, it is found more satisfactory to allow the middleman to interpret demand and distribute commodities to meet it. He is in a strategic position to judge demand, because he has the consensus of dealers on which to rely.

We also learn that the retailer is not entirely influenced by advertising. He can be influential in selling certain merchandise, in spite of advertising, because he has the advantage of personal contact with his customers. It is therefore the function of the manufacturer or jobber to convince retailers that it is to their advantage to sell his product, as well as to make the consumer want to buy it.

In Part I we learned of the defenses one has against reacting unwisely to the appeal of advertising and salesmanship. Here we have an added list: (1) the limit of income; (2) desires and habits of saving; (3) buying habits; (4) social standards; (5) standards of living; (6) knowledge of goods; (7) standardization and maintenance of prices; (8) multiplicity of appeals; (9) impossibility of immediate action.

Publicity in the form of "news" is effective in the influence of some varieties of demand, because when people read such items, they are more open to suggestion than when they read advertising which is obviously intended to influence them to buy things. Their interest is in "news" and they do not consciously guard against persuasion.

In the next chapter we shall continue the discussion of objective influences determining demand, beginning with the subject of quality and price stores, and spending most of our thought on the psychological factors involved in names, trade-marks, containers, and similar means of identifying commodities in the mind of the customer.

PROBLEMS

X—32, 34, 35, and 36.
XVIII—198, 199, 201, and 207.

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VIII

OBJECTIVE INFLUENCES DETERMINING DEMAND—TRADE-MARKS, BRANDS, AND CONTAINERS

Type of distributing agency as an influence in marketing. Trade names, trade-marks, symbols, designs, brands, and slogans. Development of trade names as a defense for the manufacturer or wholesaler. Specific associations necessary in trade names adopted for defense. Types of trade names, trade-marks, and slogans. Requirements of good trade names and trade-marks: simple and short; easy to pronounce; easy to remember; appropriate; descriptive; not easy to abbreviate; pleasing sound; unique; attention value. How trade names and slogans are obtained and selected. Stages of confusability in trade names. Testing the value of trade names now used. Packages, cartons, labels, and so forth, as influences of demand and controlling factors of the market. Experiments determining the most desirable containers. Summary.

DISTRIBUTING agencies are selected according to the nature of the commodity to be sold. Stores specialize in the kind of goods they sell, of course; no store, so far as we know, carries everything in stock. But there is a further distinction than this, due to the difference in quality of goods carried by various stores. One jewelry store, for instance, may keep in its stock only the highest quality of merchandise, while another carries lower quality goods at considerably lower prices.

"Quality goods" are usually sold in "quality stores." People have come to *associate* these stores with high-class goods and to expect prices in proportion. Such places maintain their reputation and good-will by selling only the best merchandise. Other stores carry on larger businesses and earn larger profits, at times, by selling goods as cheaply as possible, placing the emphasis on low price rather than on high quality. Due to this association, products whose main selling point is quality should therefore be placed in the

hands of "quality" stores; merchandise which is made to sell as cheaply as possible should be sold in stores where "price goods" is the rule; commodities of medium grade to be sold at medium prices will probably sell best in stores which are generally of neither extreme as to quality and price.

TRADE NAMES, TRADE-MARKS, SYMBOLS, DESIGNS, BRANDS, AND SLOGANS

In Part III we shall study the psychological principles which make trade names, brands, slogans, and the like so valuable in business practice. Here we shall point out their value in marketing, leaving a large share of their explanation in terms of psychology to later chapters. It is a recognized fact that trade names, brands, and similar means of identification are extremely valuable because of the good-will they carry with them. Numerous manufacturers and wholesalers list the good-will attached to brands and firm names among their assets in terms of millions of dollars. Even then, however, it is impossible to ascertain the exact value of such good-will; no accurate method of appraisal has been developed. It is possible, however, to find out by means of surveys how well an article is known. This is an index to prestige, because if the merchandise gives satisfaction, prestige and familiarity go hand-in-hand.

Frequently a purchase is made several times "mentally" before the real act takes place. In this "mental" prepurchasing operation, brands and articles which are known to the customer naturally are the ones in the picture, rather than ones which are unknown. Unknown articles cannot have a place in the imagination or memory. Thus many times the buyer has decided what he will purchase, or is at least influenced toward the decision, before he enters the store. In such cases the advantage of having goods well known and well regarded is quite evident.

Suppose a man wants to buy an automobile. He goes first to the agency of the car about which he has heard the

best reports, in his judgment. Before he ever approaches the salesroom, he has formed a general idea as to which car, or which group of cars, is the best within his price, so far as he is concerned. This idea helps the salesman to sell his auto, if it is the one he already likes, or hinders him if it is not the one the man likes.

In the sale of foodstuffs, especially, campaigns designed to link the idea of quality with certain brand names have been quite successful. It is effective, for instance, to have customers taste canned peaches while their quality and deliciousness are being associated with the display of the brand name and the container, special emphasis being placed upon the color, size, and appearance of the latter, so that there will be no mistake in associating the brand name with good peaches when the time comes to buy them. The psychology of association will be discussed when we come to study advertising in Part III.

Though a well-known trade name helps the owner to hold the market, so it may also help him to lose it. That is, when a trade name carries with it a great deal of good-will, it is easier to sell the goods to which it belongs than if they were little known. But, on the other hand, if the brand is well known and not liked by people generally, for some reason, it is therefore very easily rejected. Bad reputation hinders the sale of merchandise just as good reputation helps to sell it. For this reason *honest* advertising and *reliable* guaranties are essential to profitable marketing generally. If the customer is dissatisfied, the good-will attached to the article is lost.

Today people buy a good deal of their merchandise without seeing it, as we shall point out more fully in a later chapter. Certain brands, trade-marks, names, containers, and reputations of retail dealers have become so closely associated with certain qualities that it is not only possible, but convenient to buy in this manner. Men buy handkerchiefs put up in sealed packets without looking at them. We pur-

chase breakfast food in cartons, without fear of being cheated because we failed to investigate the contents. We even do much of our shopping by telephone, without inspecting goods at all. It is therefore paramount that the good-will attached to firms, brands, and containers be maintained.

An admirable example of the development of good-will associated with a container and brand is that of *Log Cabin* maple syrup. In our estimation, this brand is distinctive because of its flavor and quality, but even more so because of its unique container. The latter is unusual in shape, so that its appearance attracts attention and impresses itself upon the memory of customers. The idea of a log cabin and its natural associations with woods, from which maple sap comes, is particularly appropriate because of the relevancy of the ideas involved. All of these factors tend to make it more difficult to sell customers substitutes for this brand of syrup, because they heighten its appeal and make it easily and distinctly remembered.

DEVELOPMENT OF TRADE NAMES AS A DEFENSE FOR THE MANUFACTURER OR WHOLESALER

The manufacturer ordinarily has no direct control over the consumer in his buying, because he does not come in close contact with him. In an endeavor to control the retail market the manufacturer brands his products and creates good-will for them. In that way he produces mental habits in consumers which insure a demand for his goods. He appeals to large masses of consumers, who demand his merchandise and compel retailers and jobbers to handle it. Thus the manufacturer keeps the retailer and the jobber from absolute control of the market, even though he cannot have full control himself because of the direct contact which the retailer has with the consumer—which makes it possible to sell substitutes.

This development of brands and good-will for his product

is not always a mere attempt on the part of the manufacturer to sell goods. It is also, sometimes primarily, a means of protecting his market. If he owns a trade-mark, trade name, or brand that stands for quality at a reasonable price, he can retain the market he has built up by quality production and aggressive sales effort. Suppose a manufacturer of high-grade candy has built up a good business in his line. If his candy is sold under a trade name which is well known and has considerable good-will attached to it, there is less danger of the retailer cutting down the demand for this candy by selling a substitute than if his product were not known by any such trade name. By having a name which carries with it great prestige, he protects himself against the inroads of the retailer, jobber or another manufacturer.

In order to avoid dominance of the market by manufacturers, many large wholesalers or jobbers develop their own brands, trade-marks or trade names, buying their goods from different manufacturers and labeling them with the same brand symbol or name. The jobber may create a demand for his brand of merchandise in the same way the manufacturer does. When the wholesaler buys his commodity from a number of manufacturers, however, he must be extremely careful to see that the different lots are all of the same quality; if not, the association of brand or trade name will not be with any specific qualities that this type or grade of merchandise has—a factor most important in the control of the market by brand or trade name.

SPECIFIC ASSOCIATIONS NECESSARY IN TRADE NAMES ADAPTED FOR DEFENSE

Many psychologists stress the importance of getting the consumer to associate a trade name with a particular class of goods and to ask for the article by its trade name when he wants anything of that class, forgetting to mention the importance of associating *particular qualities* of the article

with the trade name, as well as the general class. For example, suppose a wholesaler buys canned peaches from a number of different packers, labeling them with his own advertised brand. The psychologist or the advertising expert tells the wholesaler that it is important to advertise the brand name in such a way that when people think of peaches they will immediately think of the brand name. So far, this is true, but there are other important considerations. After customers have bought peaches of this brand and consumed them they no longer simply associate *peaches* with the brand name, they associate a *particular size, taste, color, and quality of peach* with the brand name. Thus the wholesaler must be certain that the peaches he buys are of uniform quality, because if people happen to get one can which contains small, sour fruit, it does not produce the feeling of pleasantness that comes from recognition and which ought to result from the purchase of the familiar brand of peaches.

Psychologists often fail to give sufficient credit to all of the sensory and feeling factors in making associations. No matter how alluringly the peaches just mentioned might be advertised, it would be extremely difficult to sell a second or third can of them to a customer if the first or second can had caused the feeling of unpleasantness because of the different taste, odor, or the displeasing appearance of its contents. Sensory factors are frequently the most important when it comes to making associations in which the feelings of pleasantness or unpleasantness play a part.

Even though manufacturers brand their goods and maintain uniformly high quality goods, however, unbranded, inferior merchandise may be sold to a great extent because it is backed by better organized or more enthusiastic distributing agencies. The proposition here is the same as it was in connection with the different brands of hosiery mentioned not so long ago, where the best advertised brand did not have the largest sale, because another manufacturer had a better sales organization. It is necessary to assure dealers,

as well as consumers, of the quality of merchandise, and to convince the former that it is to their advantage to sell that brand of commodity.

TYPES OF TRADE NAMES, TRADE-MARKS, AND SLOGANS

Trade names, symbols, slogans, and such may be divided into several types, according to their form and the object they accomplish. Brands and trade identifications generally are for the purpose of defense, if nothing else, as we mentioned in preceding paragraphs. Some of these do nothing more than to become associated with certain qualities of merchandise and protect against substitution of competing articles. *Ford, Ingersoll, Kodak,* and *Postum* are all names of this type. They are suggestive of no selling points in themselves, but only of those which have been associated through education. They are for identification only, and therefore must have distinctive qualities and be easily remembered. A slogan of this type is *Dictate to the Dictaphone.*

Some trade names, besides serving as means of identification and consequently as defense against substitution, also have positive value in suggesting selling points. Such names and slogans either call attention to some need or desire, or point out advantages offered in satisfying needs. *Uneeda Biscuit* is of the former type. *3-in-1 Oil, Holeproof Hosiery, Keen-Kutter cutlery*—these names suggest desirable attributes of the articles they designate. A picture of the Gold Dust Twins with the slogan *Let the Gold Dust Twins do your work* is not only a protection against substitutes and imitations, but is has positive selling value as well. The Morton's Salt slogan, *When It Rains It Pours,* for instance, is novel and an easily remembered means of identification, with the added feature that it suggests one of the most important selling points possible.

Then there are family names. By "family name" we

mean one trade name or brand name applied to a number of articles marketed by the same firm. For instance, *Heinz', Armour's, Beech-Nut,* and such names are applied to numerous products marketed by the same company. Thus the good-will attached to one article is carried over to another, as, for instance, when people like *Heinz'* Pork and Beans, they are led to believe that pickles bearing the same name must be good also.

Another illustration of the value of well-known names is afforded by the system said to be used by the *Yellow Cab Company.* This firm first built up a strong reputation for itself in Chicago, where it became known to travelers who would remember it after they had gone to other places. Now an affiliated organization sells *Yellow Cabs* to taxicab companies in other towns and cities, and provided they live up to certain requirements, it allows them to use the name *Yellow Cab Company.* Thus the taxicab operators in other cities benefit from the prestige established by the original local organization. By increasing the number of *Yellow Cabs* in use, and by rendering a certain standard service, they also add to the prestige already enjoyed by *Yellow Cabs.* A similar use of name and prestige is that of the *Marinello Company.* This firm, we understand, sells its cosmetics through beauty parlors owned and operated by people trained in the *Marinello* school of beauty culture, allowing these places to be called *Marinello Shops.* Each one of these places benefits to some extent from prestige built up by all the others, as well as that belonging to *Marinello* products themselves, and in turn, each shop contributes to the general prestige of *Marinello* by the service it renders and the advertisement it gives the name.

REQUIREMENTS OF GOOD TRADE NAMES AND TRADE-MARKS

The value of names, trade-marks, slogans, and the like depends to a large extent upon the degree in which they are

in accord with several fundamental principles of psychology. Since the main function of these is to serve as identification and defense against substitution, it is essential that they should be easily remembered. As the subject of memory will be discussed in Part III, we shall not go into detail here. We shall merely suggest the requirements of effective trade names, slogans, and symbols at this time, leaving the principles of psychology involved for later discussion.

Hollingworth reports a laboratory experiment designed to test the relative attention and memory value of different geometric forms, such as are commonly used as trade-marks. Fifty shapes were chosen for the experiment, in which 25 observers indicated which figures were most powerful in attracting attention and impressing memory. At the conclusion of this experiment he says[1]:

> The general principle suggested by this experiment is that those forms are best remembered to which specific names can be given, such as "star," "crescent," "crown," and so forth.

We may suggest the following rules to govern a trade name or slogan:

1. *It should be simple and short.* If names and slogans are long or ponderous they are confusing, or they include so many items that they cannot be remembered.

2. *It should be easy to pronounce.* People will not readily ask for things if they do not know how to pronounce them. Names which are easily pronounced are apt to be repeated, and repetition increases memory value.

3. *It should be easy to remember.* We shall take up the subject of memory in Part III.

4. *It should be appropriate.* Names which suggest value and usefulness are good, if they are sufficiently relevant.

[1] Hollingworth, Harry L. *Advertising and Selling*, p. 212. D. Appleton and Company, New York, 1920.

They should not be absurd or degrading, as that would lower the prestige of the commodity.

5. *It should not be descriptive.* There are numerous exceptions to this rule, as stated here. The type of name which is undesirable from this point of view is such as *Blue Flame Oil Stove.* Any number of oil stoves may have a blue flame, and this fact may be emphasized by competitors so as to counteract the protection set up by the trade name *Blue Flame.* The laws governing the registry of trade names now tend to eliminate descriptive words, however, so that this danger is being removed automatically.

6. *It should not be easy to abbreviate.* Coca Cola, for instance, is easily abbreviated to "coke." When customers ask for "coke," the probability is that they will receive a substitute, instead of *Coca Cola.*

7. *It should be pleasing.* A name which causes the feeling of unpleasantness hinders its own chances of gaining good-will.

8. *It should be unique.* Names which apply to one product or line of products and do not have general meaning are usually better than those which have a universal meaning. *Bon Ami,* for instance, is a better name than *"The Best Scouring Powder"* would be.

9. *It should have good attention value.* The subject of attention will be discussed in Part III.

10. *It should be adapted to pleasing and easily recognized typography, pleasing color, shape and position in advertising*—these points will be discussed in Part III.

HOW TRADE NAMES AND SLOGANS ARE OBTAINED AND SELECTED

Some manufacturers and distributers have come to realize the importance of good trade names to such an extent

that they spare no expense in selecting the best possible terms of identification for their products. Often an attractive prize is offered to the public for the best name or slogan suggested for an article. Besides affording the manufacturer or distributer a large selection of names from which he may choose one that will fill his needs, this method also has the advantage of interesting people in the commodity, because they become familiar with it in trying to find a suitable name.

Sometimes the selection of the prize-winning title or slogan is left to the opinion of a board of judges, and again, psychological tests are used to discover which is most effective. These latter may consist of (1) memory tests, in which names are ranked according to the way in which they are remembered by subjects, (2) pronunciation tests, in which subjects select the most easily pronounced words among those submitted, (3) tests for pleasingness, in which subjects rate the words according to the degree in which they cause the feeling of pleasantness, (4) relevancy, in which subjects are asked what the words suggest, the one being most suggestive of the article it is to identify being taken as the best, (5) general rating, usually by those who are consdered competent judges.[1]

DANGER OF CONFUSABILITY IN TRADE NAMES

Many otherwise valuable tradè names are rendered ineffective because of the ease with which they are confused with other words or names. Trade names are protected by law, to some extent, but even then they are constantly causing trouble. A name which is easily imitated or which is apt to be confused with others has difficulty in carrying out its main function—identification for defense. This con-

[1] This subject is taken up in some detail by Daniel Starch, in *Principles of Advertising*, pp. 690-700, A. W. Shaw Company, Chicago, 1923. The reader is also referred to Geissler, L. R., "Association-Reactions Applied to Ideas of Commercial Brands of Familiar Articles," *Journal of Applied Psychology*, Vol. I, 1917, pp. 275-290.

fusion of names is the cause of controversy in numerous courts. The degree to which confusion exists is largely a matter of psychology, though this fact is not always recognized in handing down decisions. Certainly it seems more reliable to base conclusions on results obtained from tests conducted with several hundred subjects to determine which names are confused by the public, than it is to depend on the opinion of a single judge or a small number of jurors.

It may be interesting to note the results of one of these tests conducted with pairs of names concerning which judgments have been given by various courts. The nature and conclusions of the experiment may best be given by quoting to a large extent from an article by the man who conducted the test.[1]

"Whether a trade name is enough like another to cause confusion is, in part, a psychological question. Does the purchaser remember the name or mark of the article which he is buying well enough to recognize it the second time and avoid confusing it with a like article of similar label, wrapper, or trade name? This problem, then, being one largely of recognition, is primarily psychological.

Experimental work relative to this problem was undertaken at Northwestern University during the winter months of 1921-22. Two methods of determining confusion were compared with each other and with the decisions of courts in a number of cases of trade-name litigation. Sophomores and upperclassmen were used as subjects. An unselected group of 18 pairs of names was taken from a large number of court records. Nine of these cases had been declared infringing and had resulted in injunctions. For the experimental work the original names were separated from the imitation names in the case of both the infringing and the non-infringing names. These 4 sets were arranged in chance orders. In the first method of experimenting, the visual method, mimeographed copies of the original names of the infringement group were presented. Following these the imitations were presented, and with them directions instructing the subjects to check those names which they considered as duplicates, and to indicate by a question-mark those about which they were doubtful. The same

[1] Clark, Edward L. "Trade-Name Infringement," *American Journal of Psychology*, October, 1923, Vol. XXXIV, pp. 602-605.

type of procedure was followed in handling non-infringing names. In the other form of procedure, the auditory method, the subjects were given the same amount of time for hearing the names as the others were for reading them. Following this, instructions were given about checking names as in the visual method. While the imitation names were being read, the subjects recorded their reactions on sheets of paper which were handed in immediately at the end of the experiment. About one-half of the subjects were given the non-infringing names first, while the other half were given the infringing names first. Subjects giving reactions to names for the first time were designated as inexperienced, while those who had before reacted to one or the other of the sets of names were designated as experienced. The following is a table of the average number of times the different types of names were checked and questioned, arranged according to the types of subjects and methods. The values in this table are expressed in percentages.

Set of Names Used	Set of Subjects	Type of Subjects	(?)	(—)	Experimental Method Used
Infringing	81	Inexperienced	4.53	10.14	Visual
Infringing	93	Experienced	1.77	2.87	Visual
Non-Infringing	86	Inexperienced	3.23	7.88	Visual
Non-Infringing	91	Experienced	3.18	5.25	Visual
Infringing	150	Inexperienced	3.63	18.44	Auditory
Infringing	120	Experienced	2.22	3.98	Auditory
Non-Infringing	120	Inexperienced	2.22	10.18	Auditory
Non-Infringing	150	Experienced	4.75	7.26	Auditory

In making the final grouping of data only the results from the inexperienced subjects were used. It was felt that the experienced subjects knew too much of the nature and purpose of the procedure to give results comparable with those of the inexperienced. Psychologically, the inexperienced subjects corresponded more closely to the buyer in the market. The order of the degree of confusion of both sets of names as determined by the visual method of procedure, when compared with the order of names as determined by the auditory method, resulted in a correlation of .86. Although the absolute amount of confusion was a little higher in the auditory method, the relative amounts were very nearly the same. On the following page is a table of the confusion as determined by the combined results from the auditory and visual methods by inexperienced subjects. The trade names are numbered to indicate pairs which were used in the experimenting. "N" denotes non-infringing in the opinion of the courts, while "I" signifies infringing pairs.

Order	Percentage of Confusion	Trade Names	Order	Percentage of Confusion	Trade Names
1 and 2	.62	N— 7	10	.862	I —9
3	.62	N—10	11	11.15	I —8
c	3.04	N— 5	12	12.36	N—4
4	3.16	I — 4	13	16.39	N—9
5	4.57	N— 8	14	18.21	N—1
6	5.82	N— 6	15	21.00	I —2
7	6.27	I — 7	16	31.91	N—3
8	6.98	I — 1	17	40.36	I —5
9	7.34	I —33	18	42.12	I —6

Assuming that the courts based their decisions entirely on the possibility of confusing the appearance, sound, or meaning of the names irrespective of their surroundings (and this was the case with several pairs of the names used), we could then by examining the data on infringing and non-infringing names determine the court's standard of the amount of confusion necessary to constitute infringement. If such an assumption were made, confusion would become dangerous under these experimental conditions somewhere between 10.39% the average percentage of confusion of the non-infringing names, and 16.33%, the average percentage of confusion of the infringing names. If we take either of these as a standard, it is evident that in these cases the courts either based their decisions on things other than the appearance, sound, and meaning of the names or else made several mistakes in judging the possibility of confusing the names, because neither of the percentages suggested divides the infringing from the non-infringing names. In fact, either percentage puts an equal number of infringing names on either side of the dividing line.

In speaking of percentages of confusion it must always be remembered that these percentages for these names are true only under the experimental conditions used in this work. However, the relative position of these names would not change much under other experimental conditions. Attention is called to the fact that the names do not divide themselves into confusing and non-confusing but form a continuum; many degrees of confusion are represented from the least confusing to the most confusing.

The trend of results of this and similar experiments[1] seems to indicate that trade names may easily be confused, regardless of the fact that courts do not call them infringements. In marketing a product, it is therefore of extreme impor-

[1] See Paynter, R. H. *Psychological Study of Trade-Mark Infringements*, p. 73. Science Press, New York, 1920.

tance to select a brand or trade name which cannot easily be imitated.

TESTING THE VALUE OF TRADE NAMES NOW USED

The efficacy of tests to show the desirability and value of trade names does not end with the selection of the ones to be employed. A fact frequently overlooked by distributers is that it is a good thing to be informed of the value of trade names while they are in use, as well as before they are adopted. Tests made before words are actually put in use indicate only potential value; surveys conducted later on show whether names are being well received or whether they should be changed for more desirable ones.

Most dealers seem to think that if their sales records are good, their trade names are all right; if the number of sales is not large enough, they may suspect that the trade name is not as good as it might be. Since the trade name is only one of the factors influencing demand, it is important to find out just how well it is doing, among other factors, in creating demand and protecting against substitution.

It seems to be the consensus that when a trade name is the one most frequently associated by people with the class of article it identifies, it is most valuable. For example, if a number of people are asked what brand of tooth-paste they know best and more of them mention *Colgate's* than any other make, the probability is that *Colgate's* is the most valuable name. One of the best ways for the owner of a trade name to test its value, therefore, is to take a cross-section of the population and make inquiry to find how well known his brand is. Hotchkiss and Franken [1] conducted an experiment with more than a thousand subjects, mostly students in various colleges and universities throughout the country. They prepared a list of 100 articles, asking each subject to write

[1] Hotchkiss, George B., and Franken, Richard B. *The Leadership of Advertised Brands,* chap. ii. Doubleday, Page & Company, New York, 1923.

opposite the commodity the brand name he associated with it. The results of this extensive experiment enabled a large number of manufacturers and distributers to get some idea, even if it is only partial, of how well the public knew their trade names. This is called the "association method of testing brand familiarity."

PACKAGES, CARTONS, LABELS, AND SO FORTH, AS INFLUENCES OF DEMAND AND CONTROLLING FACTORS OF THE MARKET

The package, the carton, or the label of a commodity may be useful in influencing demand and serving as a defense against substitution in the same way that brands and trade names do. This was brought out in the illustration of the container used by *Log Cabin* maple syrup.

The use of packages and cartons helps to standardize articles in numerous ways for the benefit of the consumer. If cartons are the right size, for instance, they help the consumer to economize. It is possible, for example, to find out by making a survey the approximate amount of baked beans most families care to serve at one time. It is also possible to ascertain about the maximum and minimum amounts likely to be demanded. With these limits in mind, the manufacturer puts up his baked beans in cans of these three sizes. Having containers of the right size is quite important, because this often is the determining factor in satisfaction. Suppose the beans are of the highest quality, well cooked, and properly flavored, but the contents of the can is more than a particular family desires at one meal. The "left-over" portion is saved for another time. It deteriorates somewhat, depending upon the length of time it is kept, but at any rate it is likely not to be so pleasing after it is warmed over as it was when originally taken from the can. The sensations which ought to be associated with this particular brand of beans are therefore not experienced and the demand for them not so strong as it would be if there were just the right amount in the can for one meal. It is of

course impossible to put up commodities in packages of the size to suit everybody, but it is not difficult to sell most articles in quantities which appeal to the majority of people.

The use of branded and sealed containers protects the customer against unscrupulous dealers who might substitute some other make of commodity for the one he wants. In the same way, the manufacturer also retains the good-will of the consumer by guarding against that type of substitution. Suppose a customer wants a certain brand of lubricating oil for his automobile, for instance. If he buys it in sealed and branded containers, he is practically assured of getting that brand. If he asks for it bulk at a filling station, he *may* receive it, and then again he may receive something else. If he gets oil which is unsatisfactory, his ill will is aroused against the brand he thinks he is getting.

Packages generally insure the arrival of their contents in sanitary condition. If a customer finds that the goods he has purchased are filthy or damaged, he does not experience the feeling of satisfaction which he expects and to which he is entitled. By protecting merchandise from damage, deterioration and taint, cartons safeguard against the loss of goodwill which might otherwise occur. In the last few years waxed paper wrappers for bread have come into extensive usage, for this reason.

Attractive boxes and labels often sell goods on display, because they attract attention easily and are pleasing in appearance. With some merchandise it is not desirable to use containers, however. Take oranges, for instance. In themselves, they are as attractive as most containers would be. Their skins protect them from unsanitary conditions. They can be branded for identification and defense against substitution by means of labels stamped or pasted on them.

Boxes and wrappers may be used to carry directions for the use of articles. This tends to offset the dangers involved in misuse of merchandise. Containers make goods more convenient and easy to carry. When various fish, such as her-

ring and sardines, for instance, are sold in bulk, they are unattractive in appearance and difficult to handle. But when they are put up in neat and handy tin cans or glass jars, this drawback to their sale is removed. Often people buy one brand of merchandise because of the use to which they may put the container after the goods itself has been taken out. Good coffee cans may be used to advantage in the kitchen cupboard, for instance, as well as large "tin" cracker-boxes. In some sections of the Orient, it is said, the kerosene cans in which a particular brand of oil is put up are so useful to the natives that they will buy no other brand.

Certain types of container and label add considerable prestige to merchandise. A fine box certainly lends prestige to a woman's hat. A well-designed, dignified, pleasing, silk label in a coat constantly advertises the good taste, social standing and economic status of the buyer, besides adding prestige to the seller. Two loaves of bread may be just alike in appearance, but when one is wrapped in attractive oiled paper it becomes distinctive. The customer will buy the wrapped loaf, other things being equal.

EXPERIMENTS DETERMINING THE MOST DESIRABLE CONTAINER

We have said a good deal about means of identifying goods for marketing purposes, but only in a general way. In the future it will undoubtedly be possible to say a great deal more along this line and to go further in detail in doing so. While we have a general knowledge of these things, very little experimental work has been performed in the field. Much of this needs to be done and some of it is even now under way.

The methods employed in research along these lines should be of interest to the student of marketing. Starch tells of several experiments which illustrate some of the procedures

involved.[1] One of these investigations was carried on to determine what shape container was best suited for a certain fish product. The price of the can and the amount it was to hold had been agreed upon from data gained in a previous survey. Five cans were used in the test and subjects were asked to rank them according to size. Three of them were of the same size; one was larger and one smaller, respectively, than the others. The result was that one of the three of the *same size* was judged to be larger than the other two, because it *appeared* to hold more.

Another test was carried on for the Beech-Nut Company to determine which style of carton was best for its product from the standpoint of general appropriateness, color, design, and arrangement of these attributes. A representative of the firm was placed in a number of retail stores with instructions to interest customers in the test being made and to get their opinion on these definite points concerning which information was desired.

Drever[2] reports an experiment cited by Münsterberg in which a firm of confectioners sold a certain grade of chocolate in twelve different varieties of wrapper, all of the same general type of design and of about the same degree of artisticness. The result was that one of these brands sold far more rapidly than did the others. These examples are mentioned merely to give the reader an idea of the experimental work already begun along these lines and the field which is now open for such endeavor.

SUMMARY

We learn in this chapter that some stores are known for the quality of goods they handle, while others have reputations for the prices they offer. When one is marketing a

[1] Starch, Daniel. *Principles of Advertising*, pp. 723-729. A. W. Shaw Company, Chicago, 1923.

[2] Drever, James. *The Psychology of Industry*, pp. 117-118. E. P. Dutton and Company, New York, 1921.

product he should take care that his goods are placed in the type of store which is best adapted to sell his particular kind of merchandise.

People are likely to ask for brands of merchandise with which they are familiar, even though they have never used them. Trade-marks, names, slogans, and the like, help to individualize and identify particular brands of merchandise, so that the customer will remember them when he does his shopping. The endeavor should be to associate not only the *class of commodity,* but also distinctive qualities with trade names. These high qualities should be carefully maintained in goods, because if a customer gets even one article of poor quality, which produces different sensations than the ones associated with this brand, he may continue to associate the feeling of unpleasantness so produced with the brand name. Bad reputation acts as powerfully as good reputation.

Manufacturers and wholesalers build up good-will for brands not only because this sells more goods, but because in that way consumers are taught to ask for these brands instead of taking whatever substitute happens to be offered by the retailer.

We have mentioned several types of trade names and slogans, each of which is adapted to certain kinds of commodity, and each of which has its advantages. The psychological requirements of good trade names were also enumerated. The reader will do well to keep these in mind, in preparation for discussion which will be found in the chapters to come. While not much space was devoted to the discussion of the methods employed in obtaining and selecting trade names and slogans, we have noted references which deal extensively with the subject.

If a trade name is to give the fullest amount of service to its owner, it should not be easy to imitate or confuse with other names. We find, as the result of numerous experiments, that the decision of courts in trade-name infringement suits does not always insure that certain names will not

be confused in the minds of consumers. We also learn that it is frequently a good idea to conduct tests to find out just how well known and regarded a trade name is, and if it is not giving the service it should, it should be changed for a more desirable one.

Packages, containers, and labels also serve to identify and individualize merchandise. Containers and wrappers may be used in numerous ways to add to the ability of goods to produce the feeling of pleasantness, a fact greatly in their favor. They also protect customers and manufacturers against substitution of low quality merchandise.

In the next chapter we shall continue the discussion of objective influences determining demand, beginning with the factor of display of merchandise.

Problems

X—1-3, 13, 35, 38, and 40.
XI—15, 33, 34, 35.

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IX

OBJECTIVE INFLUENCES DETERMINING DEMAND—DISPLAY, SIZE, LOCATION, AND POLICY OF STORE

Display of goods. Window display: linking attention with interest; maintaining individuality of articles on display; unity of merchandise on display. The demonstration of merchandise. The size and location of store. The rôle of store equipment. Store service. Credit. The credit man. Summary.

We know that most goods do not sell themselves just because they are cheap, or because they are of high quality, unless they are brought to people's attention. Advertising is not the only way to bring merchandise to the notice of prospective buyers. Many years before advertising came into use, goods were displayed to attract the attention of customers. Window displays and the showing of articles in cases and on shelves and counters form one of the most economical and effective means of interesting people in merchandise. Unfortunately, however, very little experimental data is available on this subject at present, though we have general ideas which seem to give satisfactory results when put into practice.

We shall discuss the psychological factors responsible for the effect of the display of goods on the sales situation in Part IV. For the present, we shall merely state that the function of display is to attract attention and to stimulate the individual customer to buy. The rules of attention and the technical application of these will be left for Part III.

WINDOW DISPLAY

In window display, attention is attracted largely by three influences: (1) lighting, (2) color, (3) arrangement. We

may say that the latter is the most important of these factors. We learned something of the attention value of color in our study of the consumer. Later on we shall learn the laws which govern the operation of these three factors, but at present it is sufficient to accept these as the important elements to be considered. If the reader will closely observe the next window display which attracts his attention more than usual, he will see that this is the case.

LINKING ATTENTION WITH INTEREST

Attracting attention is of little value in itself, however; it is merely a step in preparation for a more important operation in selling. Freely speaking, attention is the process of selecting what shall be in one's consciousness; this in itself does not sell merchandise. We shall—later on—see that attention fluctuates; that is, the focus of consciousness does not remain steady. We shall also learn that when one is interested in an object, that serves to keep attention on it.

For example, suppose a comparatively young man, a bachelor, passes by a store window and is attracted by a display of dolls, some of them wearing dresses of red and other colors which naturally bring the focus of his eye upon themselves. He goes right along, however, because dolls hold little interest for him. A little girl coming home from kindergarten, on the other hand, might stop and look at the dolls for some time, because her interest for such things is stronger. She has no trouble in paying attention to them.

It is evident that not all things are of equal interest to everyone. Then again, it is of little use to interest people in things if there is no possibility of their purchasing them or influencing someone else to do the buying. A window display intended to acquaint the public with the process of mining diamonds would be of little effect in creating demand for diamonds in a slum section of the city where no one had much money, for instance.

Generally speaking, interest should be produced mainly by the kind of goods displayed and their arrangement. It is not necessary to make goods beautiful and artistic to have them be appealing to customers. It is difficult and unreliable to try to determine the value of a window display by aesthetic standards. It is possible to carry artistic elements so far that they detract from what should be the object of central interest. The background for articles displayed may attract attention from the articles themselves. It is not the purpose of a merchant to sell the background, but rather it is his intention to sell something which is set off by the background. Backgrounds are intended to call attention to objects and yet be so unobtrusive as not to take the focus from the objects to themselves.

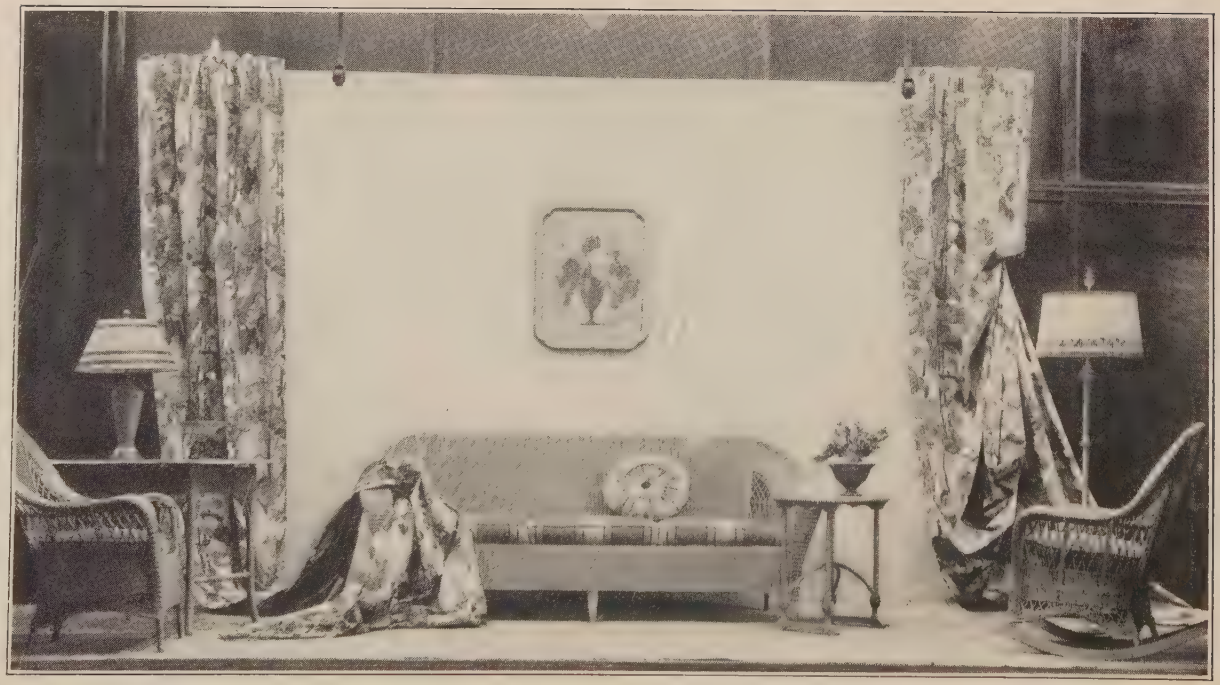
Suppose a merchant wishes to create a demand for a certain type of coat for women. Let us say that he puts it on a "dummy" in the midst of a very beautiful set of furniture and rugs. Naturally, the attention of observers goes to the other things as much as it does to the coat, and the desired effect is lost. The display may add prestige to the store, because of the pleasing effect it has, but it will not create much of a demand for the coat. The coat must be set off by a plainer background, if it is to have the fullest effect.

MAINTAINING INDIVIDUALITY OF ARTICLES ON DISPLAY

In a large department store, where there are numerous show windows, it may be profitable to devote a few of them to displays which merely satisfy the aesthetic sentiments of the observers, because this adds prestige to the store—of which Figure 1, on the opposite page, is a typical example. If there are few windows, however, it is better to concentrate on particular articles. This should not be done at the entire expense of beauty, of course; an ugly, unsymmetrical, unbalanced display, with a poor color scheme, will produce a feeling of unpleasantness which will be associated with the

Courtesy, Marshall Field & Company

Figure 1 A window display which, above all, satisfies the aesthetic sense of the observer, and adds prestige to the store.



Courtesy, Marshall Field & Company

Figure 2: In this window display the attention of the observer is not attracted from or influenced by an irrelevant background. While the display retains an aesthetic unity, the individuality of the articles is maintained.

articles displayed, in the mind of observers. The important thing in most cases, is to preserve the individuality of articles, as, for instance, in Figure 2, rather than to give a general impression in which nothing stands out. In this way it is possible to develop in customers a desire to own particular things, which is not the case where too many objects are suggested.

In some small stores, where there is only one show window and it is not decorated very frequently, it is a good plan to display a large number of articles. While this method of display does not create demand for anything in particular it indicates, however, the variety of things carried by the store.

There are times, of course, when a great number of articles may be shown in a window without losing the value of display. In such cases, however, it is necessary to maintain a certain degree of unity as to the articles included. They should all be along the same line of interest. This sort of arrangement is of special effect at times when people want suggestions for presents, especially at Christmas. Suppose we have a display of a man in his bed-room, putting on a collar and tie, with such articles as shirts, belts, shoes, dressing gowns, hairbrushes, collar-boxes, talcum powder, manicure sets, and the like, included in the layout. Here there is one line of interest, still it offers numerous suggestions as to what a man might like as a gift. A scene in which two or three "dummies" were dressed in hunting clothes, with guns, knives, traps, and camping outfits, if properly arranged, might have a splendid effect—in spite of the large number of articles displayed—because of the unity of interest.

If articles are all of the same class, however, it is not usually good policy to display too many of them, and even then, each one should be set off by being placed in a different position from the rest. This is accomplished by means of stands, shelves, and such devices. This is especially true of

hats, shoes, and the like. If there are a large number of them, laid out in even rows, none of them looks particularly attractive, they lose their individuality. A customer buys a hat, for instance, because he is attracted by it alone. The hats have to be quite separate and distinct from each other to bring out their individuality. A hat is not attractive just because it is a hat, or one of a number of hats; it is attractive only as an individual and distinctive hat possessing certain qualities of its own.

The problem of whether or not to mark the price of goods on display has been treated in a previous chapter.

THE DEMONSTRATION OF MERCHANDISE

Demonstration of goods is a method of influencing demand frequently employed in marketing. Some merchandise will not be properly used and consequently will not yield the desired feeling of satisfaction that the manufacturer knows it should yield if the buyer is not shown how to use it. This is usually the case with automobiles, for instance. As a rule, anything which requires special knowledge for its use requires some sort of demonstration.

Demonstration is, of course, an effective way of advertising. It usually involves motion, which is always of more interest than static. Individuals like to see what is going on, and as they do so, they are likely to become interested.

Demonstration is like to produce desire in customers when they see articles in use. This sort of thing suggests new ways of satisfying their needs. Suppose a woman is demonstrating a new cake flour in a store. Perhaps she is making cakes, showing how simple the process is with the use of the specially prepared flour. Customers are asked to taste the finished product, which is quite pleasing in flavor. It is more practical to let customers *judge* the taste for themselves than it is to *tell* them it is good; it is more effective to let them *see* how easy it is to make cake than it is to *tell* them

it is easy. Again, it is more convincing to show a housewife by actual demonstration how much work is saved by a new type of vacuum cleaner than it is to try to get her to imagine it all by means of words. It is of less effect to say that it has strong suction than it is to show her how it picks up buttons, hairpins, and all sorts of things, without danger of getting the wrong things in it.

Living models usually create stronger demand for clothes than "dummies" do. This is especially true when it comes to introducing new things for women to wear. Living models are more like customers than "dummies" are and they afford shoppers a chance to see how clothes actually appear when worn. They also move and thus command attention. There is a certain danger in displaying goods in this manner, however. Suppose a woman who wears a size 42 garment likes a particular style of dress which is quite becoming to a size 36 model. The proportions may be correct for the 36 garment, but when the same style and proportions are used in making a size 42, they do not look so well, consequently, the woman who wears the latter size will be dissatisfied with it, because she thinks that the garment ought to appear on her as it did on the model. If it is possible, models should therefore be of various sizes and figures, so as to avoid false impressions and impossible realization of associations.

If people get satisfaction out of handling articles or using them for a time, they are likely to purchase them in order to retain the feeling of pleasantness so produced. When a man rides in an automobile and likes the car, he is in a better mood for buying than if he had never ridden in it. The riding produced a number of pleasant sensations; he likes the way it runs, and he wants to keep on having that same feeling. The same is true of articles which are sent to homes for approval. If a man has a phonograph sent to his home on trial, for instance, he forms a habit of hearing it and seeing it in his home. If he sends it back, he is at a loss to know how to fill the vacant space in the room, he will also

miss it; perhaps it has given him positive pleasure and he does not want to give it up, even though he was not sure he wanted it or that he had any place for it in the first place. This is why so many firms are willing to send goods on approval and collect for them on the instalment plan. They know people are not likely to fail in their payments, for fear of losing something to which they have become accustomed and which they feel they cannot do without.

THE SIZE AND LOCATION OF STORES

The size and location of stores and factories are undoubtedly contributing factors in the demand for goods. They are also aids in selling, as we shall learn when we come to study the place of the retail store as an agency in the sales situation. Now that people travel about in their automobiles so much, many of the factories located near main highways have made show places of their plants. Seeing a thing manufactured is bound to produce a lasting interest in the product, especially if it is of interesting construction. Therefore, as a rule, location of a factory where it is accessible to visitors is a distinct asset, from the point of view of marketing. The manufacture of some articles, however, is not calculated to produce the feeling of pleasantness in visitors; it is best to keep people away from these places.

Banks usually build edifices with heavy and imposing fronts to suggest financial strength. The smaller banks frequently have their large safes in public view, to suggest strength. Cages and bars help to heighten the sense of security. Even though the personal honesty and integrity of the officers and employees is unquestionably sound and the storage vaults as nearly burglar-proof as possible, people need these fittings suggestive of security to induce the conviction that their money will be safe in the keeping of the bank. Banks are therefore justified in large expenditures for fixtures, for purely psychological effect.

It is difficult to estimate the importance of the location of a retail store. Frequently a well-established merchant is persuaded to move off the main street to a location just around the corner on a side street, because of the large sum offered for the site on which his store has been for some years. He fails to realize how valuable his location is; he believes that his customers will come to him wherever he is. So he sells his valuable property; some of the customers continue to come to his place of business, but many of them prefer to do their shopping on the main street, mainly because of habit. About the only accurate means a merchant has of judging the value of a location is to set up there in business and see what it is worth.

There are a number of considerations, however, which help to estimate the value of store location. In the first place, if a store is situated among fine buildings and is housed in pretentious quarters, the suggestion is that it is a "quality" store. Just as men and women are known by the company they keep, so, too, are stores. Individuals are prepared to pay high prices in this type of shop, because there is no suggestion of cheapness and they do not expect to find "bargains." Prestige is largely affected by location and surroundings.

On the other hand, a store in a modest building, where rent is obviously low, suggests that business is done on a smaller overhead and that the customer gets his merchandise for a correspondingly lower price in comparison to the value he receives. Clothing stores frequently spend large sums of money on advertising the fact that they are located "upstairs" where rents are low.[1] The assumption is that what is saved in rent goes into the customers' pockets—that, however, has been proved not to be true, because so much is spent in advertising to bring people into out-of-the-way places, and so few take advantage of it,

[1]See the report of the Northwestern University Bureau of Business Research on the retail clothing industry (1921).

that it would be less expensive to have a ground floor location where show windows would attract buyers.

Other things being equal, people buy at stores which are most easily accessible. They do not want to go out of the way to do their shopping. If stores are located on busy streets, where there is movement of large crowds, the suggestion is that everyone is busy—doing something—and this atmosphere pervades the store. Large numbers of people enter the store, partly because others are going in, which acts as a suggestion on the persons who may be going past and happen to think of something which they ought to buy at once.

A lunch room finds a good location where there are numerous office buildings and it is convenient for people to come at noon. A department store discovers that it has a splendid situation because it is where street-cars bring customers from outlying sections right to its door. All sorts of factors must be considered, in addition to rent—highways and street-car routes, the nature of neighboring establishments, the type of person which passes the store, display possibilities, amount of sunlight reaching the store, and such considerations.

THE RÔLE OF STORE EQUIPMENT

When we come to study retail selling in Part IV, we shall see that proper equipment of a store is a great aid in bringing about successful sales situations. Here, however, without going into detail, we note the fact that store equipment is also a stimulant to demand or an inhibition, as the case may be.

The arrangement of a store and its general appearance suggest either quality or economy, efficiency or carelessness. If the fittings are impressive because of their elegance, the suggestion of quality is conveyed. If they are obviously quite plain and serviceable, it is easy to suppose that the

overhead of the establishment is small and the prices low, in proportion—consequently that one's money goes for merchandise rather than fancy trimmings.

Shelves, tables, stands, and similar devices are used to set goods off to best advantage. Thus articles may be given individuality and specific appeal. These fittings of the store also act as suitable background for display.

There is a tendency to overdo store fixtures in some establishments. Experimental data are necessary to justify some of these expenditures; unfortunately, nothing of importance has been done in this line. For instance, large amounts of money are expended for marble soda fountains and counters. The reason given for the expenditure is partly one of prestige and partly one of sanitation. It is true that modern fountains and counters do give just these suggestions. It may be, however, that the value of the prestige so gained is not so much as is generally supposed, and that the suggestion of absolute cleanliness may be given by plainer and less expensive fixtures. In some lines of business, the impressive and expensive offices and mahogany desks are giving way to more modest quarters and office equipment. Experience and experimental data will have to test the validity of high expenditures for furniture and fittings.

STORE SERVICE

While the service rendered customers by retailers is undoubtedly a factor in influencing demand, discussion of it will be postponed until we come to the various chapters on the retail store. There is one problem in this connection, which deserves mention here. It has to do with the various services performed gratuitously for customers.

The large department stores in our cities seem to be racing to see which one can give the shopper the most service in the way of free alteration of garments, return privileges, style displays, rest-rooms, free organ recitals, in-

formation bureaus, railway and theater ticket service, postal stations, domestic science, dressmaking, basketry, lampshade, golf lessons, and all sorts of personal service. There is no question but that this type of service is an aid to selling; it makes buying more attractive, which the customer associates with the store generally. Thus it is an influence on demand.

While we are certain that such free service adds to the good-will of stores, we also know that it adds to the cost of operation. We can figure the cost, but not the amount of good-will created. That brings up the question of whether or not such practices are profitable. The question is not "Does it pay?" however, it is "Does the public demand it?" If customers demand these things, the larger stores will find that it pays to render such services. If the public does not demand some of the services, then of course it does not pay to keep them up. It may be that the reason why we think that the public seems to demand some of these things is that some merchant, anxious to outdo his competitors, has introduced a new free service for his customers and so educated people to expect it from others, with the possible loss of good-will if the expectation is not met. Stores must come to study these free services to see which ones are really fundamental—are actually demanded by the customers—and to render only those which are necessary; they must not simply try to outdo competitors, if they are to avoid wasting their money. Perhaps in the future, experimental data will be available on this subject, but at present all the above suggestions are on unexperimental bases.

CREDIT

In many branches of commerce the extension of credit is recognized as tending to increase the volume of business transacted. From the economic view-point, of course, credit is something which must be handled carefully.

It is frequently reported that liberal credit encourages and cultivates costly buying and careless habits of purchasing. It is also said that overbuying is partly the result of too liberal credit. Probably most housewives are not so careful in doing their buying when they merely have to tell the store to charge things, knowing that their husbands will pay the bill at the end of the month, as they would be if they were given a definite sum of money at the beginning of each month and told to limit their purchases to that amount. It is easier for most people to pay out money in the future than it is in the present.

On the other hand, some stores tell their customers that when people fail to pay their bills the loss must be borne in part by those who do settle their accounts, and that it is fairer and cheaper to have everyone pay cash. This latter appeals to numerous men and women, as is evidenced by the success of the many stores which do business on a cash basis only. Here again we lack experimental evidence as to the real value of the practice. In this case, as before, it is a question of whether or not most of the customers demand charge accounts; if so, it pays; otherwise it does not.

THE CREDIT MAN

The difference between a bill collector and a credit man may be accounted for largely in terms of psychology. The credit man must decide as to the honesty of people and their ability to pay for things and how they may be persuaded to settle bills as they fall due, creating good-will rather than destroying it. In order to do this, it is best that the credit man know personally those to whom credit is to be given. As this is impossible in the larger retail stores, he must base his allowances on reports of mercantile agencies, banks, and other business houses or acquaintances, a factor which does not aid in the promotion of personal relations with customers. Obviously, the salesperson

is not to be trusted entirely in his estimate of customers' credit, because he is interested in selling as much merchandise as possible and is likely, unconsciously even, to overrate people somewhat. This makes it all the more necessary for credit men to know customers personally.

The man who is collecting a bill, as a rule, does not know the individual merits of each customer with whom he deals; therefore, there is apt to be considerable loss of good-will. It follows, then, that he must not be hardened, but he must not be an "easy-mark," all of which requires him to have an unusual amount of tact. If he allows accounts to run too long, they become harder for the customer to pay as time goes on, and continual "dunning" causes a feeling of unpleasantness to be associated with the store in the mind of the customer. On the other hand, the liberal extension of credit sometimes makes a customer feel under somewhat grateful obligation to a house, so that he continues to order his goods there.

While it is usually best to close accounts before they have run very long, there are times when it is wise to wait until it is convenient for the customer to make payment. In a rural community where there has been a failure of crops, for instance, it may be impossible to collect much from a farmer, because he has very little money and if he parts with what he has, he will not have enough capital to start with next spring. In that case, if it can possibly be done, it may be best for the implement dealer and other business men to wait until the farmer has more money and can pay up all of his account. If it is assured that the man will settle his account in the long run, and that if he is forced into payment when he cannot do it conveniently his good-will may be lost, it is probably worth while to wait for the money. Each case is an individual one, however, depending upon the personal relations of the parties concerned, the customs and conventions of the place, and the honesty and reliability of the customer in his business affairs generally.

SUMMARY

The display of goods often attracts attention and develops interest better than advertising does. This is true especially where articles are made to stand out as individual and distinctive satisfactions for the need of the customer. If a number of goods are displayed, it is best to have them united by a central interest. Some displays, of course, are not intended to sell any particular goods, but merely to produce a pleasant effect which contributes to the general good-will of the store.

Demonstrating merchandise suggests new ways in which it may be used to satisfy the needs, wants, and desires of people and guard against the misuse of articles. When people associate the feeling of pleasantness resulting from handling or using an article, they want to buy it, so as to continue the feeling. Care must be taken to see that the demonstration does not give false impressions as to the merits of the merchandise, or customers may be dissatisfied because merchandise does not come up to their expectations.

The size and location of stores is important, due to the suggestion carried by these factors. Quality, for instance, is suggested by expensive surroundings, while economy is brought to mind by neat stores where the rent is obviously small. The same is largely true of equipment and furnishings. Location is also of great consequence because when a store is where there are crowds of people and where it is easily reached by lines of transportation, it is more likely to have customers than if it is comparatively inaccessible.

The value of the various free services rendered by large department stores depends mainly on whether or not they are fundamental and whether or not the public demands them. If they produce satisfaction to such a degree that the public will not patronize the stores which do not offer them, then it pays to keep them up, otherwise it does not.

The granting of credit involves serious problems of psychology, as well as economics. For some people liberal credit is a much appreciated convenience; for others it is a temptation to order goods for which it will be difficult to pay. Where accounts run too long, it becomes increasingly difficult to pay them, and in the end the unpleasantness of settling them may injure good-will. The psychological problems involved in credit are so individual and dependent on specific circumstances that it is difficult to give general rules for the handling of all cases.

This chapter concludes the discussion of the principal interacting objective factors which determine demand. These are, in the order in which they have been taken up, (1) price; (2) advertising and selling; (3) publicity; (4) distribution methods; (5) trade names, trade-marks, symbols, designs, brands, and slogans; (6) containers and labels; (7) window and show-case display; (8) demonstrations; (9) size and location of stores; (10) store policy. There are other factors, of course, but these are the main ones. More of them will be mentioned as they appear in various connections in later discussions.

In the next chapter we shall discuss another phase of marketing—merchandising. In the previous discussion of the various factors influencing demand, we have paid little attention to the interplay of these forces. Obviously, in each situation, there are any number of factors; one counteracting or strengthening the activities of the others, modifying the wants, desires, or needs of customers. In order to show how these various factors interact upon each other, we shall make a case study of them in the next chapter.

PROBLEMS

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IX—1, 15-16, 19, and 20.
XVII—197.

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X

MERCHANDISING

The interpretation or prediction of demand. The merchandiser and the buyer. Planning frequent turnover of capital. Danger of buying on the basis of friendship for salesman. Habits as factors in buying. Interpretation of market tendency. The retailer's interpretation of demand. Typical surveys. Case I. Chinaware. Immediate environmental factors: the trend of taste as indicated by sales; requests by customers for articles not carried in stock; the suggestions of salespeople. Remote environmental factors: changes in interior decoration; the modern tendency toward smaller homes; the servant problem and methods of service; changes in fashion; education and advertising; competition. Case II. Enamelware: cost; future sales; delivery; change in use; white ware and nickel-plate; white ware and aluminum. Summary.

The function of merchandising is to provide the qualities, quantities, varieties, grades, and selections of goods at the time and place at which the customer demands them. This is indeed no small task and merchandising is consequently a fundamental process in marketing. If people have failed to realize the importance of merchandising, it is because they have not regarded some of the essential duties of business as coming under the heading of that particular branch of activity.

We may say that merchandising is divided into two main problems:

1. Buying of merchandise
2. Interpretation of market tendencies

The second problem concerns itself with a successful study and analysis of the demand for goods which will, in the near future, best satisfy the needs, wants, desires, and tastes of the consumer. The second problem deals with buying the goods to meet this demand. Consequently these two problems demand separate handling, preferably by different people.

THE MERCHANDISER AND THE BUYER

The man who deals with the first problem we shall call the buyer, and the one who carries out the duties set forth by the second we shall call the merchandiser, for the sake of distinction. It is the business of the merchandising man to find out what stock will be needed to meet the coming demand and to give the order for the purchase of it to the buyer, stating the time at which it will be needed. The buyer purchases these things as best he can, at as low price as is consistent with quality and reliable delivery service. In the smaller stores and in some types of department stores both of these functions are executed by the same person, but generally it is better to have them carried out by different individuals, for reasons which will be brought out in the subsequent discussion.

Price is naturally one of the main considerations influencing the buyer. The profits he makes for his employer or for himself are largely the result of his care in paying just as low price as possible for the goods he purchases. He studies the market in order to take advantage of every rise and fall in price. Suppose, for instance, that the wholesale quotation on a certain kind of shoes is comparatively low and a leather shortage seems to be approaching which indicates that the cost of footwear will go up before long. The buyer places an order for a lot of these shoes and by the time they are delivered, the price begins to climb. The store increases its retail price in accordance with the general raise, which gives it an additional profit, due to the fortunate purchase of the buyer. The tendency of the buyer is to lay in large stocks when it seems that the price is going up or when he is offered a "bargain" figure on a quantity of goods. This may cause him to overload on some things, if he is not held down by the specifications of the merchandising man. This tendency on the part of the buyer renders him less capable of also acting as merchandising man, because he is apt to judge demands in terms of what he can buy, rather

than in terms of what people want. It is almost impossible for a man to be free and objective in his analysis of demand if he is influenced by a desire to take advantage of "bargains" in the wholesale field. If one man handles both of these functions, he is usually unconscious of this influence when he predicts demand or when he decides to buy, but the influence does exist, whether he is conscious of it or not.

The tendency of the buyer in saving all he can is naturally to buy from the lowest bidder. While there is not a great deal of danger that the buyer will sacrifice quality in that way, there is the possibility of his giving an order to a firm which will not deliver merchandise in time to meet the demand for it. If the buyer acts also as merchandising man, his idea of the time when goods will be required is likely to be influenced by the time at which the lowest bidder says he can make delivery.

Suppose the merchandising man decides the store will need a certain lot of toys, for the Christmas trade, on November 25 at the latest. The buyer consults several firms and finds that the one which will sell him the toys at the lowest price cannot be relied upon to deliver the goods until the first week in December. Since the merchandising man absolutely specifies November 25 as the last possible date of delivery, the buyer has to get the toys from another house, paying a higher price for them. If the merchandising and buying were done by the same person, the tendency would be to buy from the lowest bidder and to take the risk of having the goods arrive too late to meet the demand. Then if the goods did arrive too late, the venture would result in a partial or complete loss.

PLANNING FREQUENT TURNOVER OF CAPITAL

The function of the merchandiser is to analyse the *interplay* of various subjective and objective factors controlling the demand for merchandise. If the merchandising man is free from the problems of buying, he can be more objective,

and therefore more accurate, in his interpretation of market tendencies in so far as the retail demand for goods is concerned. When he does not have to worry about buying, he can spend more energy in ordering the quantities, qualities, grades, and assortments of merchandise which will be needed at certain times. Thus he avoids overstocking and achieves quick turnover of the stock on his shelves. The duty of the merchandising man in planning as frequent turnover of capital as possible tends to offset the leaning which the buyer might have toward overstocking. If the buyer has an exceptional chance to obtain merchandise at such a low price that it will enable the store to sell at a considerable cut in the retail price, the demand for the article may be increased by the low price, and a consultation between buyer and merchandising man may reveal the wisdom of making the purchase. Ordinarily, however, it is best for the merchandising man simply to order what is needed and for the buyer to purchase these things as best he can.

The tendency of the merchandising man is to order only what he needs for immediate sale, because he does not wish to have capital tied up in stock which does not move rapidly. For instance, it is better, other things being equal, for a grocer to invest $100 in canned goods every two months, buying only what he can use in that time, than to invest $300 in a six months' stock. In the former case there are three profits on the capital and in the latter, only one. The merchandising man, however, is likely to buy too little for his needs, rather than too much, because he wants to avoid having stock stay on the shelves too long. This sometimes results in his not having the things demanded by a customer at the time he wants it. If one store does not have what a customer wants, he is likely to go where he can get it. This affects not only the one transaction, but future trade as well. He may, in that way, form a new habit of buying elsewhere. The customer trades where he can get the best service, unless the difference in price justifies the lack of service in one store.

Fundamentally, service is more important than price. No matter how low the prices are in a "cut-rate" store, for instance, they do us no good if the store does not have in stock the things we want to buy. Then again, the store which renders poor service, even though its prices are low, is likely not to satisfy the customer and therefore fail to produce the good-will which will cause him to trade there in the future. Of course, it is not always possible for any store to serve the customer so that his needs and desires are fulfilled just as he expects them to be. Some conditions, such as sudden change in demand, delayed deliveries of goods from the manufacturer due to strikes, lack of raw material, and transportation difficulties, are unavoidable. It pays, however, for the retailer, as well as the manufacturer or jobber, to meet the demand of the customer as best as he can.

DANGER OF BUYING ON THE BASIS OF FRIENDSHIP FOR SALESMEN

Another advantage of having the duties of merchandising and buying performed by separate individuals is that the buyer is likely to make his purchases largely as the result of his personal like or dislike for particular salesmen. If the merchandising man specifies what brand of article is desired by the customer and it must be delivered, there is less possibility of wholesale purchasing being influenced unduly by the friendship of the buyer for a salesman who carries nothing but a rival brand.

Frequently the man who acts as both buyer and merchandising man in a small store is influenced largely in his judgment and prediction of demand by the salesmen with whom he deals. If a buyer happens to be on very friendly terms with a salesman, he is apt to put too much faith in the advice of the salesman and be unduly influenced by his suggestions. Then again, a storekeeper may not give proper consideration to a line of goods suited to the needs of

his customers and buy goods which do not answer the purpose so well, largely because of the confidence and goodwill he has for a salesman who carries another line of merchandise. Sometimes the salesman is not even conscious of the fact that he is taking advantage of the buyer when he sells him something which will not answer the purpose so well as the product of a competitor.

The fact that a buyer has a feeling of pleasantness when dealing with one salesman and a feeling of unpleasantness or indifference when dealing with another does not necessarily mean that the first salesman is selling him goods which fulfil his needs better than can the merchandise of the second man. The feeling of pleasantness may result from all sorts of causes other than the quality of the transaction itself. It may come as the result of favors granted by the salesman, or from personal friendship, pleasing personality, and such things. Frequently retailers continue to buy from the same salesman even though he drifts around from one wholesale house to another, first selling one brand of goods and then another, because they like him personally and have confidence in whatever he sells. They let the salesman, rather than their customers, tell them what they should buy.

NATIONAL PRESTIGE NOT ALWAYS RECOGNIZED LOCALLY

Sometimes dealers unwisely carry what is known as "standard" brand goods at a low margin of profit, when the demand is just as good for some other brand at a higher margin. An illustration may perhaps bring out this point a bit more clearly. Suppose a country merchant buys a stock of rubber boots of "standard" make, being convinced they are the best for him to carry because they are of the brand most widely advertised and used throughout the United States. It may be, though, that another type of rubber footwear is better suited to the needs of his customers, and for that reason might be more in demand, even though

it is not so well known nationally. Perhaps the "standard" brand boots are made for places where the snow and water are deeper than they are where this particular merchant is located and shorter boots would serve the purpose just as well for his customers, at a correspondingly lower price.

Then, too, it may be that the national advertising does not reach local customers, because they do not subscribe to the publications carrying it. In that case an unadvertised make of rubber footwear might have just as much local prestige and sell at a much lower price than the "standard" brand. A recent rural survey of a typical Iowa township shows that less than one family in fifteen subscribes for any standard magazine.[1] Undoubtedly the proportion of people who do not read magazines is even greater in some sections of the country. In order that the local merchant may judge the value of national advertising among his customers, surveys should be conducted to determine what magazines and other mediums reach them. Sometimes it is profitable for local chambers of commerce to make these, as then the cost is distributed among numerous merchants, all of whom are benefited, and the amount of money paid out by each is not so great.

HABITS AS FACTORS IN BUYING

There are merchants who do their buying almost entirely on the basis of habit, just as some of their customers do. They have found that in the past it was a good thing to purchase certain goods, according to season, from a particular house and they keep on doing their buying in the same way, regardless of change in circumstances. Certainly it is easier to buy this way than to go into all sorts of new propositions and take up every novelty that comes along. In fact, this way of doing business would be all right if there were no change in demand, but since there is, the mer-

[1] Mounts, L. B. *A Survey of the Social and Economic Conditions in a Rural Township*, p. 64. University of Iowa, Iowa City, 1917.

chant must keep pace with it in his buying. If he does not, his customers go elsewhere. Acting too much according to habit is dangerous in this field. Even middlemen are at times guilty of buying from the manufacturer because of habit, rather than basing their purchases upon study and analysis of the market.

INTERPRETATION OF MARKET TENDENCIES

Not many years ago, the market in this country was known as the "seller's market," because the production of manufactured articles was not sufficient, in most cases, to meet the demand. Then the chief concern of the manufacturer was to produce as much as he could and get it to the market. Now, however, we have a "buyer's market." Many things can be produced faster than they can be sold at a reasonable margin of profit. The first concern of the manufacturer is now to find how much the market can absorb, and how the consumer may be reached. Having this information, the manufacturer may control production and distribution to conform to demand for his product.

PRODUCTION BASED UPON MARKET ANALYSIS

In order to have a thorough knowledge of the market for his product, it is necessary to have reliable information as to demand, and not mere theory and speculation. As we have pointed out above, demand or market conditions are always a result of the interaction of the various subjective and objective factors discussed in Chapters IV to IX. The elements suggested in the following quotation from Ivey may form the basis for a *brief* market survey. We shall not go into detail here, as a similar survey for advertising purposes will be discussed more thoroughly in Part III.

The points which Ivey[1] suggests are as follows:

[1] Ivey, P. W. *Principles of Marketing*, p. 132. The Ronald Press Company, New York, 1921.

1. Where the goods are sold
2. What classes of people purchase them
3. The chief reasons why they are purchased
4. The characteristics of the men who are selling the goods
5. The conditions under which the dealers are working
6. The nature of the dealers' sales method
7. The cost of sales
8. Alternative methods of selling and their relative advantages for particular territories.
9. Activities of competitors as to price and quality of products, selling methods, and the like.

An important fact in the field of economics is that the manufacture or creation of merchandise is not necessarily the creation of wealth. Goods are valuable only in so far as they contribute to the satisfaction of the needs, wants, and desires of people. Suppose a man were to manufacture a large quantity of shoes from exceptionally flimsy tissue, planning to sell them to Eskimos. The idea is of course absurd, but it is introduced to show that no matter how expensive it is to make articles, they do not represent wealth if no one wants them. The metal which is taken from iron ore represents greater wealth per volume than the rock from which it is taken, because the former has greater power to satisfy the needs, wants, and desires of people than has the latter. This attribute of iron we call its "potential satisfaction."

Marketing is the vehicle which connects goods with the needs of people. It makes wealth out of what would otherwise be of no value. One article may contain as much "potential satisfaction" as another, but it does not actually carry out its mission if it does not come in contact with the needs, wants, and desires which it may satisfy. Advertising and selling call attention to these and show how goods may be used to satisfy them. Attractive and convenient containers, labels, and such contrivances help to sell merchandise and thus fulfil needs, even though the satisfaction they provide is not fundamental to the use of commodities.

Mere analysis of the market is not all that is needed in this connection, however. The commodity itself must be closely considered as to its appearance, the qualities it possesses which satisfy needs and desires, the circumstances under which it is sold, the service given at the time of distribution and similar details. This has been discussed to some extent in the chapters on demand and will also be taken up in later chapters.

THE RETAILER'S INTERPRETATION OF DEMAND

The retailer's problem in studying the market is quite similar to that of the manufacturer. He starts out by asking himself what merchandise he is to order. He must know how its use will be affected by changes in the weather and by the coming and going of the seasons. He must take into account the constant variation in the tastes of the customer, the changes brought about by education and environment. He must also find out how the customer reacts to change in price and the introduction of substitutes.

The retailer must analyze demand to see whether it is steady or whether one sale to a customer will satisfy it. With soap, for instance, the demand is constant; it is being used up and more of it purchased from time to time. When a man buys a home for himself, however, it is not likely that he will be a "repeat customer" in the near future, as one home will probably last him a long time. Then there is the question of delivery—can it readily be had from the manufacturer or middleman? Another consideration is how a great demand would influence the service which the distributer could give. If the demand for some articles were to increase rapidly, it would be impossible to produce fast enough to meet it; other merchandise offers a better opportunity for increasing production in proportion to demand.

If the article under consideration is new it may require the breaking of established habits and the formation of new ones before it can be put into regular usage. Then one must

take into account the degree with which the new habit will be in accordance with conventions, customs, traditions, and standards of economics, morality, society, and religion. Many articles fail to create a demand for themselves because they do not measure up properly to the standards just mentioned. When tobacco manufacturers started to introduce cigarets for women, they knew they were going against all of these established bases of judgment and that they would have to override them gently, but firmly if they were to accomplish their purpose. Another consideration of the retailer is whether or not any new inventions, discoveries, or improvements in the near future, will be made which will influence the demand for the goods they contemplate purchasing. In fact, all of the subjective and objective factors controlling demand are to be considered.

TYPICAL SURVEYS

Chinaware. The full meaning of the last few paragraphs is perhaps best brought out by an illustration of the *interacting* factors which must be taken into consideration in dealing with a specific line of merchandise. We shall begin, arbitrarily, with a review of the elements having to do with chinaware, contemplating them so far as possible from the standpoint of the merchant. Almost the same type of survey will be found serviceable to the manufacturer or any middleman. We shall think of chinaware as including dinner sets, course plates, and service plates, of porcelain, semiporcelain, artificial porcelain, or similar material.

We might suppose that chinaware is of interest to women only, as it has been largely in the past, but we are told by those in the business that the likes and dislikes of men are quite important in the selection of chinaware for the home. We must remember that the factors guiding the selection of tableware are the ones which govern production to a large extent, because manufacturers make the things for which there is sufficient demand.

Many customers, especially if they are men, know little of the quality or value of chinaware. They select plates and cups and saucers because they like the pattern or coloring and the price appeals to them. The store tries to carry the dishes its customers seem to want, regardless of actual quality and worth, so long as they give satisfaction. There are, of course, numerous other factors besides individual taste which influence the customer in his choice. These are largely in the nature of environmental circumstances which act on the buyer and consequently influence the producing market.

IMMEDIATE ENVIRONMENTAL FACTORS

The *immediate interacting factors* which govern the type of stock carried by stores may be said to be as follows:

1. *The trend of taste as indicated by sales.* If it is evident that one particular design appeals to people's taste because of the fact that so many individuals buy that kind of dish—new customers want them because their friends have them—it is only natural that the retailer will order more of the same in the future. If people do not like a certain variety, they will not buy it and the retailer is wise enough not to put more of that kind in stock. The dealer knows what people buy, and he guides his purchasing accordingly.

2. *Requests by customers for articles not carried in stock.* Often customers ask for patterns which are not in the store. The probability is that they have seen these tableware sold or advertised at some other place. If the retailer does not meet competition by adding to his stock the things requested by customers, they will go to the stores where such things are sold. Then, too, though not often, someone may have an original idea as to a sort of dish which would be attractive and it might be well to carry out the idea if it seems practical.

3. *The suggestions of salespeople.* As clerks handle chinaware from day to day and talk about it to customers, they naturally formulate a few ideas as the result of their experience. If the storekeeper encourages his employees to be on the alert and offer suggestions, he may receive valuable aid in ordering his goods.

REMOTE ENVIRONMENTAL FACTORS

The more *remote interacting factors* which govern the demand for chinaware are too numerous to be brought together here. We may mention the following, however, as being among the most important:

1. *Changes in interior decoration.* Styles of interior decoration change from time to time, just as do other styles. The decorator interprets the times in the type of furniture and fittings he suggests. Dishes are among the things which are affected by these changes in style. If the *motif* is Spanish, for example, dishes are apt to be "done" in black, orange, red, and yellow designs. Vintage and scrool designs of early Spanish periods appear on dishes. If the main theme of decoration is English or early American, the dishes may range from quaintness to formality and sedateness. We are told that the early Chelsea designs, bird patterns and fluted wares, are the direct outcome of the decorator's demands.

2. *The modern tendency toward smaller homes.* The coming of the large apartment building has made massive and cumbersome furniture give way to pieces which do not take up so much room. This same tendency is also prevalent in homes other than apartments. There is no longer room for large display cabinets of chinaware, and the "dish rails"—those little shelves on the wall of the dining-room where the family's best plates, cups, and saucers are set mostly for show purposes—are rapidly disappearing. Many of the hand-painted pieces which reposed on the old display

places were never intended to be used in actual table service, their function being decorative, entirely. Now that there is no place for these in the home, the demand for highly colored and fancy chinaware has largely decreased. Its place has been taken by dainty and distinctive dishes, far more simple in design, but planned for effect, nevertheless. The queenswares have been introduced mainly to meet this sort of demand. The elaborate fish and game services which used to have their place in the more pretentious homes are rapidly making way for more simple tableware. Vegetable dishes are becoming smaller and more practical than they used to be; their large covers with ornate handles are things of the past.

3. *The servant problem and methods of service.* The decrease in the size of the average home, and the shortage of reliable servants has caused an increasing proportion of women to do their own housework. This means that dishes are better cared for and that there are usually fewer of them to wash after each meal than there were some years ago. Now that most families do not have their own gardens, there is not such a variety of vegetables at each meal, which calls for few dishes. In the cities, people buy only what they can use in a short time and not so many dishes are required for storing "left-overs" or large batches of food cooked for future consumption. When the young housewife buys much of the food at the delicatessen store, fewer dishes are required for its preparation and serving than were required some years ago. Nowadays, too, many individuals do not cook their meals in their own homes, but have them in restaurants and such places. These and many other factors have caused fewer dishes to be sold per capita than formerly. Since fewer pieces are required, the tendency is to buy chinaware of better quality.

4. *Changes in fashion.* "Fashion" changes in dishes, just as in clothes, manners, and social usages. It cannot always be explained logically—it is probably due to the monotony

of sameness. Certain it is that bouillons are giving way to cream soups, which brings a change in the sort of service required. Saucers are no longer used for cooling basins, and are consequently made flatter than they used to be. Plates, too, are more flat, sometimes only deep enough to keep the contents from running over or slipping off. Plates of all shapes are finding favor: square, octagonal, hexagonal—the odder the better—probably due to a desire for individuality, an aspect found to be socially desirable. Beautiful and inexpensive queensware, which adapts itself to all sorts of designs, is coming back to the place in popularity it occupied a hundred years ago. It is even encroaching on the porcelains.

5. *Education and advertising.* These factors have been largely responsible for the increasing demand for bone china. The domestic science work in numerous schools has taught girls the value of durable tableware. Advertising tends to make customers want this sort of service. When young couples are planning to spend as much as a set of porcelain would cost, they may frequently be persuaded to buy a foundation set of bone china. Dishes are more standard than they used to be, so that it is possible to start with such a set and add to it as pieces are needed. This increasing sale of bone china naturally cuts down the demand for porcelain.

6. *Competition.* Competitive prices are of importance in connection with new lines of chinaware, just as they are in any sort of business. The retailer shops around from one house to another, trying to get the most for his money. As a matter of fact, however, manufacturers and jobbers have well standardized prices, quality for quality. This puts a premium on originality and attractiveness of design and the little things which may cause the customer to buy one set and reject another of equal quality at the same price. The retailer is therefore constantly on the alert for these points in doing his buying.

THE CASE OF ENAMELWARE

Douglas[1] gives an interesting discussion of the considerations involved in merchandising dishes of enamelware. For purposes of illustration, we quote extensively from what he has to say in this connection:

Cost

For a number of years the sale of blue and white ware had a checkered career in this country. Most of it was imported, as it is difficult and expensive to make because of the large proportion of "seconds" or imperfect goods. This is due to the fact that all stains or discolorations or flaws of any character show very plainly upon the outside white surface, and the goods so affected cannot be sold as first-class articles. This high cost limited their use to a comparatively narrow range of demand. The dominant factor in such demand was largely psychological and based upon their cleanly and sanitary appearance. The fact that any defect or discoloration could not be hidden was constant testimony as to the thoroughness of the manufacture and to careful inspection.

Thus these wares came to be used in hospitals, sick rooms, and all places where price was no factor, or where it was not a primary consideration, but where a healthy and sanitary appearance seemed to be of utmost importance. Most of us have come to associate sanitation and cleanliness with whiteness; gray ware would not give the desired psychological effect, even though it would be cheaper and just as serviceable.

The discussion continues as follows:[2]

They were sold largely on their merit, rather than on their price, and not being used by all people for all purposes, the assortment was naturally smaller and for comparatively few uses. Save in the hands of careful housewives, their discoloration when used for stove purposes often became such as militated against their general use for such purposes. The problem then became an understanding of their natural limitations as to use, since to order

[1] Douglas, Archer Wall. *Merchandising*, p. 45. The Macmillan Company, New York, 1918.

[2] *Ibid*, pp. 45-46.

such items as are not likely to sell, save spasmodically, is to accumulate useless and dead stock. Furthermore, because in the past they were largely imported, it became necessary to anticipate wants further in advance, so that orders for them had to be given in larger quantities, and with a longer time allowed for filling and receiving them than in the case of domestic goods.

In such cases there naturally cannot be the same turnover of stock as on domestic goods, and therefore this relative loss in money-making capacity must, if possible, be recompensed by a greater percentage of gross profit.

Future Sales

The problem of their future sales whether greater or less than in the past, becomes simply one of the increases of good taste and the spread of ideas and habits of sanitation in this country. In other words, they are one of the many evidences to be found in merchandising of the steady growth of education and intelligence among the people and, consequently, it is entirely safe to predicate the increasing use of these goods within certain limitations.

In further discussion of this problem, Douglas says: [1]

Delivery

Reverting to some of the other elements of the supposititious order, which is to be placed for blue and white ware, there arises the question as to the ease or difficulty of getting prompt and complete shipments. The answer to this involves a knowledge of the facts that before the European War there was much enameled ware imported from Europe, and that such importations have practically ceased, thus casting the burden of supplying this demand entirely upon the American manufacturers, that the latter have had great difficulty in procuring adequate machinery and material for new buildings where they desired to enlarge their plants; also that the scarcity of labor has largely prevented such additions to their productive capacity; that they have experienced much trouble and delay in procuring adequate supplies of sheet steel, which furnishes the body of the utensils on which the enamel is then coated; that the railroads in general, because of inadequate facilities and insufficient equipment, and because of the great congestion of traffic, have been unable to furnish cars promptly to manufacturers, or to transport them, when loaded, expeditiously to their destinations. It is evident, therefore, under these conditions that the shipments of enameled ware by the factories will be

[1] *Ibid*, pp. 51-55.

much delayed, as will also their receipt when once shipped. It, therefore, is the part of wisdom to place as liberal orders as the previous sales indicate to be proper and for immediate shipment, and for a longer period in advance than if the conditions were such that prompt and complete shipments could be expected from manufacturers and quick transportation by the railroads. Nor must there be an unreasoning placing of such orders on the exact basis of sales for any comparative period, either in the near or distant past. For there must be intelligent analysis of the general business conditions existing at the time the order is placed, and those in the past which have been selected for purposes of comparison, and the orders must be greater or less, according as to whether the present business condition and outlook is better or worse than in times preceding. This implies the possession of such knowledge as makes the comparison of genuine value. There must also be an intelligent study of the conditions and likelihoods surrounding each individual item in the line of blue and white enameled ware which is being ordered.

Change in Use

It will be found as a matter of general observation that cups are more and more being used in place of dippers, probably because cups are handier and do not occupy so much space. It will be noted that stove furniture articles used in connection with Number 7 cook stoves show a steady decrease from year to year. This is caused by the fact that Number 7 stoves are the small size and not so convenient and comprehensive in their service and possibilities as the larger sizes, Numbers 8 and 9. Consequently, because of the growth of the country in wealth and its consequent general desire for better things, the small stove, restricted in its service possibilities, is being replaced by larger and more efficient stoves. In such cases, however, ordering the Number 7 stove furniture must not be on the basis of the decreasing proportion of sales shown in the past, but on a much smaller ratio. The reason for this is that fewer and fewer Number 7 stoves are being made each year and that much of the demand for Number 7 stove furniture comes from old stoves already in existence, and that when those stoves are used up the majority of them will be replaced with the larger numbers.

It is an axiom in merchandising when an article begins to go out of use that the part of wisdom is to order it more and more sparingly as it approaches its final dissolution, and thus to anticipate its end, and not be finally caught with a large stock of unsalable goods on hand. It must also be learned in what section

there still persists a demand in this case for this small-sized stove. The result as ascertained indicates the South and the immediate answer is that it is only a question of a short time when there will be but few of these stoves made or used. The reason for its use in the South tells in a few words the history of that section. Stricken and impoverished by the war and the ensuing Reconstruction, its buying power for many years was confined to the cheapest and most necessary things of life. Moreover, this was accentuated by the presence of a vast number of negroes, whose wants were the simplest. The Number 7 stove instance also points to the curious fact that apparently because of inherent conservatism the use of certain articles, called "old fashioned" for lack of a better name, perseveres in certain districts, notably portions of the South, the Philadelphia district, some sections of the Appalachian Mountains and some of the rural districts in New England, long after they have died out in other parts of the country. Consequently this must be considered in ordering so long as this use continues. In this instance, it is an easy prophecy that the day of tradition and conservatism in economic matters is fast passing in the South, because of the great advancement of that section in wealth and development, and this fact must also be taken into account in ordering "old fashioned" goods, formerly much in favor in that part of our country.

This same study must be given to each article in the long line of blue and white enameled ware before the order can be intelligently placed. It will be seen from what has gone before that the ordering of so apparently insignificant a matter as a pattern and style of household utensils involves a far-reaching and comprehensive study of many matters.

WHITE WARE AND NICKEL-PLATE

Taking up the subject of nickel-plate, Douglas gives the following discussion:[1]

Of an entirely different character and for an entirely different reason is the use of nickel-plate on copper ware, and yet the basis of this use is also largely psychological. It is true that the ware is substantial and enduring, but that is not the only compelling cause of its employment. That cause is to be found largely in the tastes and fancy of modern civilization—in the "swell" hotel and restaurant life of the great cities, in the afternoon teas, and

[1] Douglas, Archer Wall. *Merchandising*, pp. 47-48. The Macmillan Company, New York, 1918.

midnight suppers of fashionable and would-be fashionable society, in shapes of the articles, sometimes quaint, sometimes graceful, sometimes grotesque. Its various vessels appeal equally to the bizarre and the artistic in human nature. Its comparatively high price and its very appearance bars it from use by the hydra-headed many. It does not lend itself to universal use for kitchen and household purposes, but rather to the things of the table, the elegancies of coffee and teapots, of casseroles, and chafing dishes, of trays and samovars.

Moreover, anything nickel-plated, to be presentable, has to be constantly polished, and the busy housewife is not seeking any extra labor in that direction. Books, poems, and essays, always written by men, tell of the industrious housewife delighting in the toil of constantly polishing all household utensils and keeping them immaculately clean. This sentimentality may have passed muster in the mid-Victorian period, but we know today that women dislike useless drudgery as much as men and gladly seek means of escape from such vain labor. This is easily apparent in the steadily growing sale of all those various labor-saving devices in household affairs, which have done so much to make the housewife's job more tolerable.

Taste and Fancy

The story, therefore, is one of careful watching of the various styles of the more ornamental items of nickel-plated ware, since nothing is more fickle and unreasoning than the tastes and fancies of those to whom "style" in anything is an important characteristic. On the other hand, there will probably always be a steady demand for the staple items, because they serve a useful and enduring purpose. Naturally enough, however, the demand for this class of goods was much curtailed by the abnormally high prices which prevailed among them as one of the effects of the European War. This is a problem which constantly confronts the orderer of goods as to the opposite effects of low and high prices upon the demand for different articles.

WHITE WARE AND ALUMINUM

Further on Douglas gives us a similar review of the attributes of aluminum ware: [1]

The consideration of the final variety of household wares—aluminum ware—has many analogies to blue and white ware, in

[1] *Ibid*, pp. 50-51.

that one of its principal appeals lies in its sanitary and cleanly appearance. Added to this is its extreme lightness combined with great strength. There was originally a generally prevalent idea that it would not discolor or oxidize, which of course is not true of any metal, since oxidation in metals differs in degree and not in kind. This oxidation and discoloration in aluminum ware is but slight, yet when fully realized exercises a somewhat unfavorable effect upon the users. The exceedingly high prices which this ware attained during the European War was also a deterrent upon its sales for the time being. A feature of this ware, which is common to most merchandise, is the value to the merchant of an advertised line as one easily sold, because better known.

In ordering such lines there has always to be borne in mind that while liberal orders can safely be made for them while the advertising campaign continues and thus furnishes a stimulant to demand, experience shows that demand will begin to fall off perceptibly if the advertising be discontinued.

The conclusion about ordering aluminum ware is much the same as to blue and white ware and for much the same reason, only that it has much more extended and varied use, and will probably grow faster and in general favor.

SUMMARY

The function of merchandise is to provide the qualities, quantities, varieties, grades, and selections of goods at the time and place at which the customer demands them. The problems of merchandising may be said to be (1) buying of goods, (2) interpretation of market tendencies. The solution of the former problem is the duty of the buyer; the latter is the concern of the merchandising man. For numerous reasons, these two duties are preferably handled by different individuals. A man can hardly be strictly objective and impartial in administering one of them if he is influenced by considerations of the other. If the buyer is the merchandising man also, he is apt to interpret demand in terms of the bargains he can get, rather than in terms of what the customer wants. He is also liable to the error of judging what goods he will need in terms of the service given him by the lowest bidder among wholesale salesmen.

Then, too, the buyer is apt to buy the things a friendly salesman recommends, rather than the articles the customers want.

Too often small merchants buy goods which have strong prestige and good-will nationally, due to extensive advertising, but which do not have local prestige of any value. It may be that local customers do not read the magazines which carry advertising of these goods, so that it does not affect them in the least. The merchant should familiarize himself with actual conditions and carry the merchandise his customers want, regardless of what people in other places buy. He should also avoid the mistake of continuing to do his ordering on the basis of habit, as demand is continually changing.

Now that production may often exceed demand, the manufacturer must make frequent surveys to ascertain what people want and plan his production accordingly. He must discover the needs, wants, and desires of people and arrange his merchandise to satisfy these requirements. Of course, such surveys are at times rather costly, but if conducted by competent agencies the investment is always profitable. Because of the constant shifting of the market and the changes in the desires and fancies of human beings, surveys once made are not valuable indefinitely. Indeed, they are rather short lived. Therefore, as we have pointed out in this chapter, surveys are to be made anew from time to time. How long a survey remains valuable, depends entirely upon the general condition of the market and the type of merchandise. It is always advisable, if at all practicable, that such service should be conducted by associations, rather than by the individual manufacturer.

Before the retailer or the middleman orders goods, he must take into account numerous factors which will influence demand in the near future. As each line of goods entails different considerations, these are not reviewed here. An idea of the multiplicity of factors which must be taken

into account in ordering merchandise is gained from the typical surveys suggested at the end of this chapter.

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XI

TYPES OF RETAIL SELLING AGENCIES

Introduction. The department store. Will the department store system continue? Psychological advantages and disadvantages of department stores. The metropolitan specialty shop. "Cash-and-carry," "self-service," and "chain" stores. Advantages of self-service store. Disadvantages of self-service. Local resentment against intrusion by chain stores. The local merchant's store. The mail-order house versus the country general store. Advantages of the mail-order house in building good-will. Emphasis on guaranty and return privileges. The mail-order house stimulates and controls demand. Advantages of a country general store. The public market. The huckster's wagon. Summary.

As modern marketing methods progress, new types of retail distribution agencies make their appearance. We do not need to go into the history of marketing—from the time when a manufacturer found his customers largely among his neighbors, to the present, with its middlemen, retailers, and numerous other agencies—to make this evident. Aggressive firms are constantly initiating systems of distribution of their own, some of which are successful and others, not so. A few manufacturers deal directly with the consumer through the mail; others have agents to call on retail customers, but most retail selling is carried on in stores. Since there are so many agencies of distribution, some of which must be short-lived, it is obviously absurd to assume that any or all of them will be permanent. The conditions of production and consumption are too subject to change to guarantee the continued existence of any method of distribution. Therefore, we shall not attempt to say which systems may be relied upon for marketing in the future.

What we shall do, however, will be to point out some of the psychological aspects and problems of the present distributing agencies in the retail trade. In this field, as in

many others, we have practically no scientific experimental data on which to base conclusions. In the absence of such information, the best we can do is to apply to these agencies what knowledge of theoretical psychology we possess. It is obvious that such a treatment has great limitations; we have yet to conduct laboratory and field studies as guides to the solution of many of these problems which are psychological in nature. There are, however, many workable theories and some established facts among the principles of psychology which can be applied to the business of retail stores with slight chance of error. It is this which we shall attempt; furthermore, we shall at all times, perhaps, suggest things which might be practical, but for which no definite proof is available.

It is hardly necessary that we define the various types of retail store, as the reader is undoubtedly familiar with most of them. We shall merely point out the various features of each which are of special psychological significance.

THE DEPARTMENT STORE

Our first subject of discussion is the department store. Because of the competition given it by other places of business, the management of a department store usually wishes its customers to make the establishment their main place of buying, rather than to have them buy one or two articles and go elsewhere for other merchandise. If a lady comes to buy a pair of stockings, for instance, it is desirable to have her remain in the store and purchase a suit of underwear, a packet of safety pins, a spool of thread, a book, a frying pan, and a necktie for her husband, rather than to have her buy the stockings and go somewhere else to get the other things. For this reason, in order to make it easy to develop the habit, department stores strive to make it pleasant to do all one's shopping in the place. Sometimes they carry merchandise on which there is little or no profit, in order to accommodate customers and keep them from

going to other stores—which might break that valuable habit.

We have previously considered the numerous free services performed for customers for the purpose of creating good-will. Among these provisions for the convenience of customers are rest rooms, attendants, and play rooms for children, bureaus for theater and railroad tickets, postal stations, delivery service, information bureaus, style shows, nurses and first-aid stations, check rooms, and numerous other agencies. It is generally conceded that the cost of these things is justified by the increase in sales gained through the good-will produced by them, the larger volume of business making it possible to sell goods as cheaply as if these services were not performed.

Shopping in a large store seems to offer the customer some advantages which other places do not present in the way of satisfaction. There is usually an abundant display of goods, giving ample opportunity for selection. In big establishments the salesmen are generally not too persistent in their attention, allowing customers to buy or not, as they please. Most people get a certain amount of satisfaction from "window shopping." The department store offers this on a large scale, both inside and out.

The great emporium usually has a certain amount of prestige from the fact that it is large and consequently well known. The number of customers it has increases its general good-will. The vast organization makes it possible to have salespeople with specialized training. There is apt to be little loss of good-will because of the sale of merchandise which customers do not like, for in a large department store the atmosphere is so impersonal that there is little hesitancy about returning unsatisfactory goods.

WILL THE DEPARTMENT STORE SYSTEM CONTINUE?

We are often asked whether the department store will continue to hold the place it now occupies among distribut-

ing agencies. This question can hardly be answered with certainty. It resolves itself into an inquiry as to whether the small store, particularly the specialty shop, can give the psychological and economic advantages of the larger establishment. It is obvious that the small store cannot have the same prestige as a large one, though the former may have valuable prestige of a different type. The small store cannot offer the advantage of having everything under the same roof, if it is to present a large choice of goods in each line. In numerous other ways, such as prompt delivery in a large city, and in other forms of service, the smaller store is at a disadvantage.

Naturally the question arises as to whether or not the type of service rendered by the department store is necessary, just as the question of whether or not it pays to offer so many free services was discussed some time ago. With the customer, it amounts to whether he is willing to do without this sort of accommodation. The fact that so many people continue to trade at the large department stores tends to show that they demand the concentration of numerous lines of goods in one place and that they want as many conveniences as possible without too much expense. The busy housewife wants to have her children cared for while she does her shopping. In this country it is no sin to escape drudgery, provided the price is not too great.

People like to go to very large moving-picture theaters, for instance, because these places can offer more expensive films and better music than the smaller ones, due to the overhead being distributed among a greater number of patrons. The very bigness of the place has its appeal—because of the pride we take in being in some way a part of it. The general tendency seems to be toward larger institutions—banks, libraries, hospitals, amusement parks, and churches—and stores are no exception to the regular trend. The probability is, therefore, that department stores will continue to increase in size and number, as well as in the service they render. It is likely, however, that much of the free service

now given customers will be supplanted by things which are more profitable. Since it is so far impossible to measure accurately the amount of good-will which any one of these things, produces, it is difficult to say which of these services will continue to be performed for customers. Those things which prove to be actual savers of time and effort to shoppers will undoubtedly be retained and those which do not will be dispensed with. Their actual value must be proved by experimental data and the general process of trial and error.

PSYCHOLOGICAL ADVANTAGES AND DISADVANTAGES OF DEPARTMENT STORES

It has been shown, however, that some types of goods do not do so well in department stores as in small neighborhood shops. In all probability the community grocery store will continue to hold its place for many years to come. In the first place, people like to buy groceries and such things near home; they do not want to go far for them, nor do they want to wait long for them to be delivered, in case they are ordered over the telephone. Then, too, groceries are necessities—fairly well standardized goods—on which there is a tendency to economize considerably. Housewives know the value of groceries and therefore try to get them at low prices, knowing that they do not have to pay fancy prices for them. Prestige means little in groceries, because they are not things which others can see and admire. For this and other reasons, the cash-and-carry idea and the "tea store" have become quite well patronized and even threaten to take the grocery business away from department stores.

With other things, such as clothes, the situation is different. As a rule, people do not like to buy clothes on the "cash-and-carry" plan, although they may in time be educated to the idea. When they buy clothes they want good service; they do not want to take chances on poor work in alteration; they are afraid of too close dealing, for fear that the cheapness may be the result of poor quality lining. Then,

too, clothes are things which show; they must have prestige if they are to appear to their best advantage. Large stores add this prestige, without charging prices any higher, as a rule, than the small places. The cost of advertising done by the large stores is charged to so many sales that the amount involved in each is small. So in clothing and things of that nature, department stores have the advantage, even though they may lose the trade in groceries and such goods.

The large department store has certain psychological disadvantages which have so far escaped our mention. One of these is that the sales clerk in the department store is not so interested in his work as is the man who has a small store of his own. The sales clerk thinks that the profit goes to those who own the store, rather than to him, and he cannot see the advantage of putting forth extra effort in fulfilling his duties. In order to offset this tendency, some stores give their salespeople bonuses and commissions on sales, but this practice is apt to cause forcing of sales and consequently return of goods. If the return of merchandise costs the clerk his commission on the sale, he is loathe to accept goods cheerfully, with the result that good-will is considerably impaired. Then, too, some people like to do their shopping in smaller places, where they know the proprietor and his employees personally, rather than to buy from strangers.

THE METROPOLITAN SPECIALTY SHOP

The specialty shop is an outgrowth of the unit idea, based upon an organization like that of the department store. In other words, this type of store seems to have come into being as a result of the idea of specialization developed in the department store. What was formerly a part of a large store became a store by itself. Many of the first specialty shops were started by former employees of the large stores who were particularly familiar with one line of merchandise.

It is usually difficult for the specialty shop to get the sort of executives it needs, because it takes nearly the same

qualifications to manage a small force of clerks that it does to handle a large organization. Such men are expensive. This is why the store is usually so small that the proprietor is the sole executive. This introduces numerous problems which are distinctly psychological, but since they belong to the field of personnel and employment, we shall not discuss them here.

The specialty shop exists in part because of the psychological advantages it offers a certain class of "quality" buyer. This type of customer desires the seclusion of the small shop, as well as the prestige that comes from its "exclusiveness." Since the shop has only a small number of customers, it makes this seem an advantage, the idea being that it sells only to the best class of people and that it can give each customer a great deal of personal attention in helping to solve his problem of need and desire. As a matter of fact, this personal attention *is* worth something to the customer; frequently, though, it is not worth so much as he pays for it and sometimes it causes him to buy things which he does not really want or need.

The specialty shop can claim that it gives better service and merchandise because it is a "specialist," just as a surgeon whose practice is limited to eye, ear, nose, and throat work is supposed to be more skilful in his line than the physician who is in general practice. Sometimes this is true, but more frequently it is not the case to any great extent. The department store offers equal possibilities for specialization. The salesperson in the specialty shop is likely to be more refined and courteous and better dressed than the sales clerk in the department store; he may even seem more intelligent—and often he *is* more intelligent, especially if he happens to be the proprietor himself. The merchandise is likely to be more individual and original in a specialty shop, because the emphasis is on exclusiveness, but the price is apt to be higher.

A former sales clerk in a Fifth Avenue shop which deals in shirts, collars, and neckwear tells us that one day he had

occasion to wait on a young man who asked for three collars. Upon inquiring as to the price, he was told they were one dollar each—three for three dollars. He replied that he guessed he would take only one. He could not afford to pay a dollar for each of his collars, but rather than look as if he were too poor to trade in such a place, he had to buy something to keep up his self-respect and make an impression on others. This appeal to personal pride and vanity may be said to be largely responsible for the success of one type of specialty shop. The reputation for high price lends prestige to the label of the store as it appears in women's coats, for instance. There are, of course, specialty shops where the prices are not exorbitant. Some of these are quite small places run by women, for instance, where the overhead is not great and the proprietor is satisfied with comparatively low profits. Then, too, some specialty shops depend on a large volume of business in one particular line to enable them to sell at low prices. The volume of business makes it possible to buy in large quantities and to do business with comparatively small overhead. A small shop which sells nothing but men's neckwear, to use another example, might handle such large quantities that it could sell at lower prices than the department store.

"CASH-AND-CARRY," "SELF-SERVICE," AND "CHAIN" STORES

Included in this class are the majority of small stores where low price is the principal attraction. These institutions have been especially successful in selling groceries.

The cash-and-carry, self-service, and, in most cases, the chain stores have proved convenient and economical for the class of customer to which economy is more important than service. This type of store will continue to be successful as long as there are people who want to buy reliable merchandise at low prices and are willing to sacrifice their time and the convenience of ordering by telephone and having goods charged and delivered. Now that so many women

have automobiles and ample time for shopping, the "cash-and-carry" idea is finding success among the economically independent class, as well as among those whose resources are more limited. In some towns, one is apt to see numerous well-dressed women trading at this sort of store, driving away in expensive cars. There are places, of course, where the "best families" would never think of patronizing a "cheap" store; this depends largely upon local circumstances, rather than upon a general condition of affairs.

In quite recent times the self-service store has come into the larger towns and cities. In general, the self-service store has its goods arranged on tables and shelves, easily accessible to the customer and plainly marked as to price. The customer helps himself to what he wants and pays for it as he goes out of the place. This arrangement has been found quite successful in selling staple goods, especially groceries, the value of which is known to the customer. The plan has not been so successful in marketing clothing, shoes, and such articles. Those things which ordinarily require aid in fitting or advice as to features which the customer would not see for himself are not adapted to the self-service store.

ADVANTAGES OF SELF-SERVICE STORE

It is claimed that the self-service store can sell at lower prices than any other sort of retail agency, because so few persons are required to run it. While this and other economic advantages are evident in many cases, we are interested chiefly in the psychological factors which seem to contribute to its success. The low price at which good merchandise may be marketed in this type of store is an economical as well as a psychological advantage, because it affords satisfaction to the "price" customer—the person who wants to get reliable quality at the lowest possible cost. The chief danger here is that the self-service store may lower quality in an attempt to cut prices and thus fail to maintain the good-will of its customers. It is essential

that commodities be of good quality, though not necessarily of the finest grade, because poor quality does not give permanent satisfaction to anyone.

The self-service store offers great opportunities for educating customers through the medium of display. When people enter such a place, they have to look for what they want; they realize that if they are to get the best thing to satisfy their needs and desires they must look over the goods and not run the chance of missing anything; consequently, they see what is on display and it is easy to attract attention and interest in merchandise. Thus it is essential that the goods be arranged so that they are easily seen by customers.

During the rush hours in the ordinary cash-and-carry store, the clerks are usually so busy that customers have to wait some time before their orders are taken. In the self-service store, provided there is enough room to accommodate everyone, customers do not have to wait; they take what they want, pay for it, and go out. When the customers stand and wait until the clerk can attend to their wants, they grow restless and impatient and are apt to go somewhere else and pay higher prices in order to get quick service. It is a matter of common knowledge that if one pays attention to the length of time he has to wait for anything, it seems longer than if he were occupied in doing something. This fact contributes to the success of the self-service store. Here the customer may actually spend more time in hunting for what he wants than he would in a store where he had to wait for a clerk to get it for him, but since his attention is taken up in searching for what he wants, the time does not *seem* so long.

In Part IV we shall see that one way of getting a customer to buy an article is to get him to produce action in regard to it. When a man handles something, he is acting or reacting toward it. In the self-service store, customers have their attention attracted to articles, they pick them up and look them over. Often they hesitate to ask questions about goods, especially if there are a number of customers waiting

for service. Where it is possible to pick up packages and look them over, especially if a description of the contents is given, as well as directions for use, this difficulty is eliminated, with the result that some goods are sold which might otherwise not be asked for. If a customer is really interested in an article, either before he enters the store or after seeing it displayed, he will ask someone in attendance about it, if his question is not answered by an observation of the merchandise itself.

Many persons go to stores without knowing exactly what they want, especially in the way of food for lunches, and such things. In the self-service store, there is ample opportunity to look around and get suggestions from the goods displayed. Often things are suggested in this way which would not otherwise come to mind. When one goes to a cafeteria to eat, for instance, he sees all sorts of food and is attracted by things he might never have thought of if he had not seen them. The same principle operates in the self-service grocery store. Then, too, the customer knows how much goods cost in a store of this kind, because the price is plainly indicated. Some people do not like to inquire the price of everything before they buy; this difficulty is eliminated by having merchandise marked.

DISADVANTAGES OF SELF-SERVICE

There are disadvantages to the self-service idea, as well as advantages. One of these is the lack of personal attention and interest on the part of the clerk or manager. The customer does not feel that someone is trying to help him solve his problem of need. Where the clerk is interested in his line of merchandise, he may also get the customer interested. He can also emphasize "selling points" which are not self-evident.

In the self-service store it is not so easy to introduce new goods as it is in the place where clerks wait on customers, in spite of the opportunities afforded for display in the

former type of establishment. Often a sales clerk may suggest a new article and talk about its "selling points," showing better ways of satisfying the customer's needs than the ones he knows already, and in that way establish a new buying habit in the customer. It is hard to introduce a new foodstuff, or a new brand of canned goods, unless a salesperson mentions it to a customer, or advises its use. In the self-service store, little opportunity is afforded for this. There are some customers who do not like to decide on things without considerable advice from salespeople. Often they have scarcely an idea of what they want, or if they do know what they want, they are uncertain as to quality, grade, appropriateness, and other attributes, which requires the assistance of salespeople in making selections. Such people either trade in cash-and-carry stores where clerks are provided to attend to their wants, or they patronize the regular stores which offer all the service they desire.

Frequently, too, the self-service store offers too small a selection of brands and commodities. There are some things, such as fresh vegetables, which do not lend themselves very well to the self-service plan of operation, and this requires that customers go to other stores to buy some things. Because it takes so much space to spread out a number of brands of articles, in packages of different sizes, there is a tendency to carry too small an assortment to suit most buyers. Some manufacturers of well-known brands of goods will not allow their products to be sold in "cut-rate" stores. People who desire the brands of merchandise put out by these manufacturers have to go elsewhere for them.

Because the self-service store attracts "price-buyers," the aim is to sell goods at as low a price as is consistent with profit-making. This often leads to handling non-advertised, little known brands of goods for which there is no established demand. Unless the store itself has enough goodwill among its customers to compensate for the lack of prestige of its goods, people will not buy brands about which

they know nothing. If a store can convince its customers that everything it handles is good, however, this danger is largely overcome. Some self-service chain stores handle nothing but their own brand of goods, a practice which is all right if the store has built up prestige and good-will.

The number of people who are willing to dispense with service for the sake of low price is limited. Some housewives want goods delivered. Many of them have small children whom they do not want to take shopping with them, nor can they leave them at home while the buying is done. The solution of this problem is to do the ordering of groceries and foodstuffs over the telephone. It is worth while for them, so they think, to pay higher prices, in order to have this convenience. Then, too, if one must go to the store to buy things, it is pleasing to have personal attention and to shop in a place where the service is better than the small, crowded cash-and-carry store affords. Another consideration, and an important one, too, is that trading in a cash-and-carry store, in many communities, carries with it the loss of social prestige. If people do their purchasing at places where the object is clearly to save money, it looks as though they do not have very much in the way of resources. Many families will not even ask their maids to shop in cash-and-carry stores for this reason. They want their buying done where high quality, not price, is the keynote.

LOCAL RESENTMENT AGAINST INTRUSION BY CHAIN STORES

In many of the smaller communities, there is considerable enmity against the chain store, especially if the manager and the "help" are brought in from other places. Since many of the cash-and-carry and self-service stores are chain concerns having numerous branches in other places, this local feeling is a factor in their success generally. Even though one of these stores may contribute a good deal to the general prosperity, people do not like to see outsiders take

money out of the town, nor deprive "home" business men of their profits. Local storekeepers naturally resent any intrusion by concerns which will give them competition; they spread this resentment among their friends and customers, intentionally or otherwise. The townspeople in small places are suspicious of outsiders and willing to believe any suggestions as to the depraved intentions of the new business house. The best method of offsetting this prejudice is to get a local man who has a large circle of friends and is generally well regarded, to act as manager of the chain store. This is somewhat difficult, however, as such a man is usually more valuable than the firm can afford, due to the fact that when the manager is paid his salary there will not be enough profit to cover dividends on the capital invested.

In a certain town in Michigan two chain groceries came in about the same time and seriously cut into the business of one of the established merchants. Because of the number of customers he lost, his overhead became so large in proportion to his sales that he began to lose money instead of making a profit. So he sold his large building, bought a small place near the old location and set up on the cash-and-carry plan. He could not do his buying as cheaply as the chain stores, because they bought in large quantities for all their stores and packed many of their products themselves. He had so many friends and gave such good service, however, knowing the local situation, that he got back all his old customers and many new ones who had been converted to the cash-and-carry idea by the chain stores. Today he has the only cash-and-carry store in the town, all the chain stores having decided that they could not compete against their own methods when the man who was using them also had considerable local prestige and good-will.

THE LOCAL MERCHANT'S STORE

It has been assumed by some writers that eventually the merchants who supply free delivery, allow charge accounts,

employ mature and consequently expensive sales clerks and render all manner of service for their customers—charging higher prices to make up for it—will have to give way to those who offer absolute economy in operating expense. The supposition is that American people are awakening to the fact that they are being robbed by the traditional type of store, because the cash-and-carry plan has shown them how much cheaper it is to sell goods on the basis of economical operation. It is true that the cash-and-carry store has justified its existence in many cases by cutting down the cost of merchandise to the consumer and forcing some of the older stores to dispense with some items of unnecessary operating expense. In other words, it has shown new and better ways of satisfying the needs, wants, and desires of some people than the methods they formerly used to fulfil them.

On the other hand, the cash-and-carry idea, no matter how good it is, does not satisfy the needs, wants, and desires of all classes of people. There are some people who demand the very service which the cash-and-carry store does not supply and for these customers the old-style local merchant —the neighborhood storekeeper—must continue to do business. In places where the cash-and-carry plan has suddenly attained great popularity, it is probable that when the newness of the idea has worn off the swing of the pendulum will carry considerable business back to the local merchant's store, especially if he readjusts his business somewhat to meet the competition.

The advantages and disadvantages of this type of store have been largely mentioned in the previous discussion, where it was compared with the cash-and-carry plan of operation. We have shown, for instance, that some women find it almost impossible to do much shopping every day. For them, it is more efficient to order what they want over the telephone and have it delivered. With goods which are standardized and come in packages, it is not necessary to go to the store to see the merchandise before it is purchased. Even in the case of meats and green groceries, it is usually

satisfactory to purchase by means of the telephone, because in order to retain good-will the merchant must send goods of high quality at reasonable price. The additional cost of this method of doing business is often more than justified by the satisfaction it gives. After all, the important element in a transaction is the feeling of pleasantness it gives the customer; the sales method which gives the greatest feeling of pleasantness to the individual customer is the one which is best in that particular case.

In mentioning the disadvantages of the cash-and-carry store, we spoke of the fact that some people refused to patronize this sort of institution, for fear of losing social prestige. The local merchant, with his delivery service, his "quality" merchandise, and the personal attention of efficient clerks, can make it a matter of prestige to trade in his store. Then, too, he and his sales clerks can give valuable advice to customers, because they know the market and have time to give customers the information they desire. They can suggest solutions to individual problems of need without the "cut-and-dried" manner of the cash-and-carry sales clerk or the impersonal, written method of the self-service store.

The local merchant usually takes more personal interest in his customers than does the manager of the chain store. Theoretically, this indicates that he can better help to solve their individual problems of need, because he is better acquainted with them. Often, too, the merchant and customer have the same community interests and ideas. They may be friends and members of the same organizations, so that they prefer to do business together for personal reasons.

THE MAIL-ORDER HOUSE VERSUS THE COUNTRY GENERAL STORE

The growth of mail-order houses—some of them huge institutions—is due to psychological factors, as well as to economic causes. Since a great majority of the customers

of these houses are located mostly in small towns and rural districts, they are perhaps best discussed in connection with country general stores, which are usually their only competitors.

Courtesy has played a large part in building up the business of the mail-order house. It is the policy of the large mail-order concern to be obliging always, no matter what happens. It is easy to be civil through the mail, too, much more so than it is when one deals with customers personally. Many proprietors of country general stores are none too courteous to their customers. They have not formed the habit of thanking their customers for their patronage, for example, a thing which is seldom neglected by the mail-order house. Then, too, many a rural storekeeper has grown to be gruff and seemingly not overanxious to please his customers; he has gotten in a rut, as the saying goes, because he has not had much local competition to keep him on the alert, nor has he come in contact with new customers enough to have formed the habit of trying to make a good impression. This may not be entirely his fault. His customers may not have been any too polite to him, coming in to his store and demanding things in rather gruff and uncouth manner. The spirit of the transactions may be just as good as, or even better than, where the customer and sales clerk are total strangers and the salesperson seems very accommodating and pleasant when, perhaps, he dislikes the customer to a marked degree. The customer in the country general store may not resent the gruff manner of the storekeeper, because he is used to it, but when he does receive courteous treatment, especially from total strangers, he notices the difference and is pleased by it. In other words, the demand for this sort of service may have never been conscious in the customer, but when he has once experienced the feeling of pleasantness resulting from it, a certain amount of good-will is created and he wants to repeat or continue the feeling by ordering other things from time to time, as he needs them.

ADVANTAGES OF THE MAIL-ORDER HOUSE IN BUILDING GOOD-WILL

Most successful mail-order houses have injected cheerfulness, tact, and enthusiasm into their correspondence. If they have made a mistake, it is probably in doing too much of their correspondence by means of impersonal printed slips. When a farmer receives a letter signed by the manager of a large mail-order house, there is the suggestion that a very important and busy man has found time to attend to his problem. The use of the farmer's name in the letter makes it personal and secures his interest in the firm which sends it. This means more to him than to have the owner of a small country store, whom he has known all his life, call him by name. When he does go to the rural shopping center, he usually has to wait his turn in the store and the waiting seems monotonous, even though he actually likes to go to town and talk with other farmers. The mail-order house gives the impression that it pays immediate attention to his order as soon as it arrives and that it is filled as soon as possible, which may be true, due to the efficiency with which these firms handle orders. Then, too, it is easier to explain delay and misunderstanding through the mail than it is when all the dealing is done in person. In a letter it is easier to explain a mistake and to apologize for it—in the meantime flattering the customer just a little—than it is to do so in person, especially when the fault rests equally upon both parties. The impersonal mail-order house can afford to "give in" to please the customer, but the small-town merchant can hardly lower his personal dignity or estimation of himself to please everyone. Consequently, the mail-order house runs less risk of losing good-will when mistakes occur.

Being large and progressive business houses, to whom a comparatively small increase in good-will may mean many thousands of dollars, some of the mail-order concerns have instituted free service bureaus for their customers which are

calculated to produce the same effect as do the postal stations, ticket and information bureaus, style shows, and delivery service in department stores. One of the largest of these houses has set up an agricultural experiment and service station for the benefit of farmers and installed a radiocasting station to aid in the solution of their problems and to provide amusement for them. Such things as this show the farmer that an interest is being taken in him, and if this interest is intelligent and the service performed actually meets his needs, the good-will so created justifies the expenditure.

EMPHASIS ON GUARANTY AND RETURN PRIVILEGES

All mail-order houses guarantee the merchandise they sell and offer to return the customer's money if he is not satisfied. This creates confidence in the goods on the part of the customer. The supposition is that if the distributer of merchandise is so certain of its worth that he is willing to give a "money-back" guaranty with it, the goods must be of high quality. This confidence so produced tends to lessen the amount of merchandise returned. If an article is guaranteed, the customer feels it is all right, and there is no urge to return it. On the other hand, if a shipment of goods is faulty, there is no embarrassment about returning it, because everything is so impersonal, and when the mistake has been rectified, the good-will continues.

The customer does not like to return unsatisfactory goods to the small storekeeper, because a certain amount of the feeling of unpleasantness enters the transaction. Returning unsatisfactory goods to a merchant one has known all his life amounts to accusing a friend of unfair dealing, in the mind of the average customer. Even though the fault is rectified honestly and fairly, the feeling of unpleasantness has been produced, and the customer unconsciously recalls that feeling when he thinks of buying anything at the general store.

He knows that he can order an article from a mail-order house and if it does not suit him perfectly he can send it back without any trouble. As a matter of fact, after he received the commodity, he usually keeps it, partly because he does not want to believe that he has made a mistake, partly because he becomes used to having it and does not want to do without it, and partly because sending it back means packing it up, writing a letter, and taking the package to the shipping point. The fact that a thing is difficult to return does not seem to be associated with the mail-order concern. It is obviously not the fault of the firm in a far-away city that it is hard to wrap up a parcel or nail it in a box, take it three miles or more to the railway, and write a letter. By avoiding the association of these things with itself, the mail-order house continues to keep its good-will, without having so much merchandise returned as would come back if it were easier for the customer to send it. If the goods have been correctly described and illustrated in the catalog, the customer feels that he has only himself to blame for ordering what he did not want. On the other hand, if merchandise is not as represented, the mail-order house runs the risk of considerable loss of good-will.

Very few country general stores have learned the art of displaying goods to advantage. Most of these places have all sorts of merchandise piled wherever it seems most convenient, with little thought as to the effect produced on the customer. The mail-order catalog, being designed by experts, has attractive pictures and descriptions of merchandise. In a catalog, it is possible to mention all the selling points and to go into the details of construction and direction for use, which the country storekeeper seldom does. In fact, it would seem rather foolish for him to recite every little detail about his goods; that would be monotonous; yet in their leisure moments people are willing to read the same things about merchandise in catalogs, getting points, perhaps, which are not brought out by the storekeeper.

The mail-order catalog usually offers a larger variety of merchandise than does the country general storekeeper. The latter could hardly afford to have such a large stock as is represented in the catalog. The customer also feels—even though he may not do so consciously—that if an article comes from a great city, it must be up to date.

THE MAIL-ORDER HOUSE STIMULATES AND CONTROLS DEMAND

The rural merchant often loses trade to the mail-order house because of his failure to pay attention to what is perhaps the primary function of salesmanship—the stimulation and control of demand. He seldom studies the needs, wants, and desires of his patrons with the object of better satisfying them. In other words, he carries only those things for which there is an established demand and which offer a safe margin of profit. He does not try to introduce goods which will perhaps satisfy the needs of his customers better than the commodities he is in the habit of keeping in stock. He does not try to create demand; he intends merely to supply those things for which there is a demand already.

The mail-order house, with its special merchandising department, studies the needs, wants, and desires of its prospective customers so as to suggest merchandise which will best fulfil them. Then it presents these new things as attractively as possible, so as to control the demand for them. The country storekeeper may, in time, add to his stock the articles for which a demand has been created by the mail-order concern, but, as a rule, he is a follower rather than a leader in this respect. Naturally, he does not have the time to study the situation as thoroughly as does the large firm with its merchandising experts. Thus he is slower to see the advantages of labor-saving machinery, improved equipment, and such things. He does not have the opportunity, moreover, to test the actual efficiency of innovations, as the mail-order concern does.

The mail-order house, purchasing in large quantities, is

able to offer its wares to customers at much lower prices than is the country storekeeper. Some houses offer considerable saving even after all expense of transportation has been deducted. The mail-order house increases this impression that its prices are low by offering "leaders" at reduced rates. If the buyer for one of these firms is able to obtain a large shipment of a well-known brand of canned peaches, for instance, at a low price, the house advertises them among its customers much cheaper than they can be sold in retail stores. The customers know how much these peaches cost in their home stores, and they are quick to note the difference in price. This gives them the impression that all the prices of the mail-order house are correspondingly low, though as a matter of fact, they may be relatively higher on less known goods. Sometimes it is the practice to offer "leaders" in the form of familiar branded goods simply to create the reputation for low prices, even though there is no profit on the sale of these alone, the earnings coming through the sale of other merchandise which is inspired by the "leader" bargain.

ADVANTAGES OF THE COUNTRY GENERAL STORE

Not all the psychological factors in the case of the mail-order house versus the country general store are advantages in favor of the former, however, even though the foregoing discussion seems to indicate that such might be so. The country general store has good reasons for existence, which will probably continue for many years to come. One of these is that certain needs demand immediate satisfaction; people cannot wait to have some goods come from a distant city to fulfil all their needs. Suppose one of the parts of a harvester happens to break unexpectedly; the farmer cannot wait several days until a new piece arrives from the city; he must hurry into town, get it and come back to work. If his wife needs a spool of thread, she does not want to mail an order to the city for it; she gets it in

town. Now that the automobile offers such quick transportation, she can get there easily. There will probably always be a place in the distributing system for the store which caters to needs which demand immediate satisfaction.

Many people in the rural districts distrust the business methods of the big city. Perhaps they have been treated unfairly in dealing with a man from one of the larger communities, or they know cases where such a thing has happened. They prefer to deal at home where they can "see that no tricks are played on them." To some people, it seems that the mail-order house offers too much; there must be some drawback to the deals they propose, because they look too good to be true. Unscrupulous concerns have done much to harm the mail-order business; one sad experience in shopping by mail is enough to cure a farmer of the practice. One can look out for his own interests better where all dealing is done in person. For this reason, many people do their buying in the country general store.

Often people have so much community pride that they will not patronize outside business concerns at the expense of local stores. Again, some merchants get trade purely out of friendship, because it is more pleasant to do business that way. If the town is large enough to have a chamber of commerce, or a business men's association, that body usually works up considerable sentiment in favor of local pride and doing one's shopping at home. This is apt to offer serious competition to mail-order trade. A man who is in business in a town must patronize domestic industry if he is in turn to be patronized by his fellow-townsmen, which is another factor discouraging mail-order business in general. Then, too, if a country merchant buys butter and eggs from farmers, they reciprocate by purchasing their groceries from him. Many storekeepers buy up eggs in this way and ship them to the cities.

In almost every rural community there are a certain number of people—well-to-do farmers, landowners, business men, and their wives—who do not patronize mail-order houses

whose principal appeal is price. This class of people corresponds to the group of individuals in the larger towns who will not shop at cash-and-carry stores, because they feel that the suggestion of cheapness detracts from their prestige. If the local merchant has the "quality" goods they want, they are his customers; if he does not have what they desire, they travel in their automobiles to the larger trading centers, where the stores have greater prestige. At any rate, they do not patronize mail-order concerns, unless the latter deal in "exclusive" merchandise.

THE PUBLIC MARKET

The public market, where the producer sells his merchandise directly to the consumer, is finding favor in many cities. Generally this sort of distributing agency deals almost exclusively in vegetables; so far the idea has not been found to be very practical for other products. The main suggestion seems to be that in such a place the goods are likely to be fresh, having come directly from the farm, and that prices are low, due to the elimination of the middleman's profit. These are mainly psychological, rather than economic, as one may judge from our previous discussions. There is a certain satisfaction in buying direct from the producer, because in this way the customer learns more about the source from which things come, as well as the problems of the producer, and the latter in turn becomes familiar with the needs of the consumer. This leads to a better understanding between the two and better satisfaction in the long run.

THE HUCKSTER'S WAGON

The main advantage in the huckster's wagon is that it offers convenience; it brings goods to one's very door. The housewife can see what she is buying and can pick out whatever she desires. The probability is that the goods carried

by the huckster are comparatively fresh. Then, too, the huckster attracts attention to his wares by crying them, or by going from door to door, and if he is skilful, he develops the attention into interest. By mentioning and showing what he has for sale, he suggests the needs which these things satisfy. He is at an advantage in this way, because he comes to the home, where the articles he has for sale are used. Often the housewife would hardly think of buying apples in a store and carrying them home, but she will decide she needs them when they are brought to her back door.

SUMMARY

The rapidly changing conditions of production and consumption have brought into being numerous types of retail selling agencies, some of which will continue to exist and others of which will soon die out, depending on how well they bring to the consumer the satisfaction of his needs, wants, and desires.

The department store offers the fulfilment of many needs at one time without going far. The management tries to make it as convenient as possible for people to shop in its store, offering all sorts of free service to create good-will. So long as the public will not trade at places which do not render these services, this sort of thing pays. Some kinds of goods, such as green vegetables and groceries, are not so well adapted to the department store system as are clothing, toys and "prestige" goods generally. The employees of large stores do not usually have as much personal interest in their work as do those in smaller establishments and consequently they are not so anxious to press sales, a fact which is sometimes an advantage and sometimes a disadvantage.

The metropolitan specialty shop is an outgrowth of the department store idea. It is usually successful because of the prestige it sets up, being very smart and fashionable, offering novel and distinctive merchandise. People are often

willing to pay rather high prices for the privilege of shopping away from large crowds, where they receive personal, and ofttimes, flattering, attention.

The cash-and-carry, self-service, and chain stores find their chief advantage in offering some sorts of merchandise, especially staple groceries, at low prices, the economy in service making this possible. The self-service store affords the opportunity of extensive display. Customers do not have to stand and wait for clerks to take their orders; they are occupied in helping themselves, often getting their merchandise quicker than it could be gotten by clerks. When customers handle packages, they have begun to experience the feeling of pleasantness associated with possession and they are likely to buy goods to avoid losing this feeling. The display of articles affords suggestions for the choice of goods.

Of course, there is a lack of attention to customers in a self-service store. To some women, delivery service and the opportunity of ordering by telephone are worth much more than the saving of money which might be made under the cash-and-carry system. Frequently, too, there is resentment against chain stores, because they are owned by non-local interests. The local merchant's store will probably continue, because the peculiar service it renders is demanded by certain types of customer.

The mail-order house has built up its business partly because of the courtesy and attention it gives customers, the lack of which is often felt in dealing with the country general store. The low price which the mail-order house offers appeals to many customers. Guaranties and return privileges are used to gain the confidence of people in merchandise; dealings are so impersonal that it is not unpleasant to return goods; yet the bother of sending goods back often results in its being kept. The mail-order catalog presents commodities more attractively than does the country storekeeper. Above all, it studies the needs, wants, and desires of people in rural communities and aims to satisfy them,

thus stimulating and controlling demand. The existence of the country general store is justified, however, by the fact that it offers quicker service than the mail-order store does. It is also a local enterprise and does not have the reputation for "cheapness" which some people do not like.

The public market offers direct contact between producer and consumer, cutting out middlemen's profits and bringing the former into better relationship. It also insures fresh goods. The huckster's wagon is convenient and has the advantage of introducing things at the place where they are used. It also attracts attention to needs and the methods of satisfying them.

This ends the discussion of the general phase of marketing, from which we shall proceed to a special phase—advertising, a subject which is perhaps more interesting from the standpoint of psychology than the previous ones have been.

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PSYCHOLOGY IN BUSINESS RELATIONS

PART III

PSYCHOLOGY IN ADVERTISING

XII

THE PURPOSE AND PROBLEMS OF ADVERTISING

Advertising defined. The purpose of advertising. The five problems of advertising: Knowledge of the field; knowledge of the commodity; attracting attention; creating association between need and commodity; securing conviction, secondary desire, and action. Methods of research: (1) statistical methods; (2) historical methods; (3) survey methods; (4) laboratory methods. Summary.

WHILE the practice of advertising as we now know it has not existed, to any extent, for more than 75 years, and most of the important developments have been made comparatively recently, advertising is, nevertheless, a subject upon which has been spent a considerable amount of study and research. The student who is particularly interested in advertising may profit considerably by making use of the knowledge which has been gained on the subject. There is still a great deal to be learned in the field, in spite of the fact that as long ago as 1759 Dr. Samuel Johnson made the statement in his *Weekly Idler* that "the trade of advertising is now so near to perfection that it is not easy to make any improvements."[1] Though we cannot hope completely to cover the entire field of advertising, we shall endeavor to review the elements with which psychology is concerned.

ADVERTISING DEFINED

Starch has defined advertising as "selling in print," [2] which he later qualifies by saying, "In a broader sense, advertising may be defined as the presentation of a proposition (usually in print) to the people in such a way that they may be

[1] *Selling Forces*, p. 13. Curtis Publishing Company, Philadelphia.

[2] Starch, Daniel. *Principles of Advertising*, p. 5. A. W. Shaw Company, Chicago, 1923.

induced to act upon it." [1] At any rate, we may well accept the fact that advertising is essentially *selling*. As we come to examine the subject, we shall see that many of the principles of advertising are identically those we shall study in the section on the salesman. The mediums through which the principles operate are quite different, to be sure, but the elements of persuasion are almost identical, regardless of the manner in which they are used.

PURPOSE OF ADVERTISING

The function of advertising may be said to be twofold: (1) to intensify wants or desires, (2) to control the means by which wants or desires are satisfied.

As we saw in the section on the consumer, certain needs, or wants, or desires are present in man as the result of his fundamental nature, his training, and his environment. It is obviously to the advantage of the advertiser to use such stimuli on the consumer as will cause him to want what the advertiser has to sell. Not many years ago, oranges were not extensively consumed in the northern part of the United States, except for a short season of the year. The citrus growers of California were faced with the problem of overproduction. By a wide-spread campaign of advertising, the public was educated to the healthful properties of oranges and the various uses of the fruit. As a result, there is now a year-round demand for oranges throughout the country. People never used to *want* oranges particularly, except during the "season," but now they feel the need of the fruit, and express dismay if they are unable to get it.

In addition to *intensifying* the desire for oranges, the growers have *controlled* the desire of the public for their product. Instead of buying large quantities of the fruit at one season, the public now spreads its purchases over the entire year. People have also been educated to ask for certain brands of citrus fruit, whereas they used to ask

[1] *Ibid.*, p. 6.

merely for a dozen oranges. By controlling the desire of consumers, the growers have been able to standardize distribution and lower its cost, so that both consumer and grower have profited from the advertising. While it is true that the consumer bears the cost of advertising, the consumer must remember that advertising is intended primarily for his benefit; it shows him what there is on the market, makes his buying easier, and cuts the cost of distribution and production, thereby saving him money in the long run. While he must be cautious in his reactions to advertising, he must not resent it, but may well use it for all it is worth.

THE FIVE PROBLEMS OF ADVERTISING

From the standpoint of one who is interested in the psychology of advertising, there may be said to be five principal problems. There are, of course, numerous problems confronting the advertiser which do not properly belong to the realm of psychology; these are not taken into consideration in our discussion. There are also methods of expanding the headings under which we shall deal with these steps, or problems, in advertising, to double the number we have chosen to use, but for our purposes we shall find five captions sufficient. It is important that these central problems be borne in mind in our study of the subject of advertising.

1. *Knowledge of the field, in which the advertising is to be done, or knowledge of consumer and mediums.* It is important that we know something of the class of consumer to whom the product is to be sold. We must know his needs and desires, his likes and dislikes, his financial capacity, and other pertinent facts about him. Part I has given us a general idea of his nature, but we shall see that advertising makes use of special means to get information concerning the prospective customer. It would be impractical, for instance, to advertise ice skates in a paper whose readers were largely resident in the tropics. We must also be

familiar with the various mediums which may be used to carry advertising. We know, offhand, that there are numerous ways of distributing publicity material, all of which must be carefully studied and used judiciously.

2. *Knowledge of the commodity to be advertised.* We must know the various points which are of advantage in filling the wants and satisfying the desires of the consumer, before we can appeal to him. We must be familiar with the product, so as to adapt it to the consumer; if we do not know the article, we cannot make the prospective customer realize his need of it.

3. *Attracting attention.* All of our knowledge of the consumer, the mediums of advertising, and the commodity itself prove of no avail if we do not, in some way or other, attract the attention of the buying public to the merchandise advertised. We cannot make use of reason, or any form of persuasion, unless the consumer notices what we have to say. Advertisers are, therefore, ever on the alert to find new means of attracting attention; some of these means will be included in our study.

4. *Creating association between conscious need and the commodity advertised, while attention is held by securing interest.* It is not sufficient simply to attract attention, unless there is some use made of the attention after it has been gained. When a man's attention is attracted, he must be made to become interested in the proposition offered. Attention fluctuates rapidly, unless interest is aroused. The advertiser must associate the commodity advertised with the interest of the reader and link the article with the need or desire of the reader. The advertiser makes use of many of the principles of psychology in securing interest and holding attention, as we shall see when we come to study the methods utilized. Knowledge of the laws of thinking, association, memory, habit, and other characteristics of human action, is the most valuable tool possessed by the advertiser.

5. *Securing conviction, secondary desires, and action.* The solution of this last group of problems is what brings results from advertising, as the business man views the situation. These various processes might have been united under the one heading, *making associations dynamic.* As we learned some time ago, people may buy as the result of an appeal to reason, impulse, habit, or suggestion. The advertiser makes use of all of these methods of persuasion. Advertising is of no utility whatever if it does not *convince* people and cause them to *act.*

METHODS OF RESEARCH

1. Statistical

In order to obtain an idea of the means employed to get information about the consumer, it may be well to review some of the methods generally used by students of advertising. These may be divided into four classes: (1) statistical, (2) historical, (3) surveys, (4) laboratory.

The statistical method involves the collection of various data, from which conclusions may be drawn as to the advisability of doing certain kinds of advertising. Population facts, for instance, can be obtained from local and national census reports. Some of these show the number of men, women, and children resident within certain areas. There are reports of boards of education which show the number of children of certain ages. Most public libraries are supplied with such statistical material as is available.

General statistical data may be obtained from numerous sources. One of the most important of these is the report on illiteracy in different territories. Where there is a large percentage of illiterates, printed advertising is, obviously, not as effective as if everyone were able to read. Income-tax reports give valuable data on the number of incomes of certain size. It would be impossible, for instance, to sell many expensive automobiles in a community where there are few

large incomes; the advertiser ought to know this before he starts his campaign. Several advertising agencies have collected data which concern their business, and have published them for the benefit of clients and others who may be interested.[1]

2. Historical Methods

The historical method involves a study of the past practices in advertising, in order to see which have proved successful. The inference is, of course, that what has been successful in the past will be successful in the future. Suppose, for instance, that a firm is trying to decide whether or not the use of color will increase the effectiveness of its advertising. The advertising manager obtains back files of magazines, covering a period of several years, and compiles lists of firms which have constantly increased the use of color during that time. If he finds that the firms which have increased the use of color have prospered and are still in business, and those who did not use color, or who cut down the use of color, have gone out of business, he may infer that the use of color has proved successful.

The historical method alone, in a case such as the example just given, is not always successful. The survival of concerns may be in spite of their advertising policy, rather than because of it.

3. Survey Methods

The survey method consists largely in getting the opinions of consumers, dealers, and other persons who are supposed to know what the advertiser is trying to find out. This is accomplished, for the most part, by the use of questionnaires and personal interviews, in which a definite set of inquiries is employed.

The special questionnaire is coming into quite general

[1]Such as *Population and Distribution,* J. Walter Thompson Company, New York, which gives such topics as statistics by states on the number of farms, automobiles, telephones, and so forth, miles of road, incomes, and the number of firms engaged in certain businesses.

use in certain lines of business. These are distributed among retailers, newspapers, representative citizens, and others who are willing to give the information desired. By the use of the questionnaire, it is possible to obtain answers to specific questions such as those suggested by Starch.[1] While this method is tedious, and requires the cooperation of a large number of people to make it of any effect, it is, nevertheless, proving of considerable value in the field of advertising.

The following are two examples of short questionnaires which may be used either by the manufacturer or his advertising agent to gain marketing information.

CONSUMER QUESTIONNAIRE

Name..... Date.....
Address .....
Do you use a hot-water bottle? Yes or No .....
If so, state any features about it you dislike .....
.....
Do you use an electric pad? Yes or No.....
If so, state any features about it you dislike.....
.....
.....
Would you purchase an XYZ bag in which the heat is generated by chemical reaction where the heat is retained for 100 continuous hours, or for shorter periods but aggregating the same length of time by cooling after use either through exposing to the air or drying over radiator?
.....
.....
Price $3 with 5 refills, 600 hours' use.
Price $2 with 6 refills, 600 hours' use.

The personal interview method offers perhaps the best opportunity for obtaining a large number of detailed answers. The main difference between this and the foregoing method is that, here, the inquiry is made personally

[1] Starch, Daniel. *Principles of Advertising,* chaps. vi-xii. A. W. Shaw Company, Chicago, 1923.

DEALER QUESTIONNAIRE

Name..... Date.....
Address .....
Do you carry hot-water bottles? Yes or No.....
What is the most popular-priced seller?.....
Do you carry electric pads? Yes or No.....
What is the most popular-priced seller?.....
Is the demand for these increasing or decreasing?.....
Would you be interested in handling an XYB bag in which the heat is retained for 100 continuous hours or for shorter periods aggregating the same length of time by cooling after use either through exposure to the air or drying over the radiator? .....
Price retail $3 with 5 refills, 600 hours' use.
Price retail $2 with 6 refills, 600 hours' use.
If so, under what conditions would you stock it?.....

and the response given verbally, while in the other the answers to questions are written down. There is opportunity in the personal method for getting shades of meaning which might be neglected in the use of the questionnaire. It is the only really successful method of measuring personal reactions. It presents some difficulties, in that it is expensive, and requires a great deal of time. It is also hard to get a sufficient number of the right people to give the information desired.

4. Laboratory Methods

Laboratory methods fall mainly into two types, (1) testing efficiency by returns, and (2) scientific experiments.

Often, it is possible to judge the effectiveness of advertising by keeping track of the replies received. This is done to judge the effectiveness of mediums, styles of copy, position, and the like. One method is to attach a coupon to an advertisement running in several mediums. The coupons are marked differently in each paper, so that, when they are returned, the advertiser is able to find which brought the

largest number of replies. Or the address given for inquiries may be different in each publication—"Box 100" in one, "Box 101," in the next, and so forth. These methods are not always feasible, however, and are not adapted to all lines of advertising.

The experimental method of research in advertising is carried on in the manner typical of other laboratory sciences. Just as we have "experiments" in physics and chemistry, so we have tests by which we may determine the effectiveness of advertising copy. Among the ways by which advertising is judged are:

(*a*) *The recognition method.* Here the purpose is to see what sort of word or idea is most quickly recognized by a group of people. In testing the legibility of type faces, for instance, the procedure is to have the subjects view a number of words set in different styles of types, and a record is made of the types in which words are most quickly and accurately recognized. A detailed description of just such an experiment will be given in another section of this book. Most work of this nature requires a certain amount of laboratory equipment.

(*b*) *Comparison of methods of impression.* Here the subjects are tested to see which method of impressing certain things has been the most effective. The subjects may be given a series of advertisements whose means of impression is respectively color, design, arrangement, names, and devices of similar nature. Then, the subjects are tested to see which advertisements they remember best. If they remember best the advertisement which depended most on color, the supposition is that color is more effective in the instance involved than are the other elements mentioned.

(*c*) *Collective opinions as to effectiveness.* Here the subjects are asked which of several arguments they consider the most effective, what advertisements they like best, which of several slogans they prefer, and similar questions de-

signed to pick out the most effective method of advertising a given commodity. The value of this method is, largely, in getting specific answers as to why the subjects like certain advertisements. Questionnaires, therefore, should be so arranged that they ask specific questions such as "Which advertisement appeals most to you from the standpoint of color? Arrangement? Suggestion of commodity? Memory value? Prestige?"

In the foregoing methods, one of the important requirements is that the subjects employed shall be typical of the class of people to whom the advertising is directed. If the subjects are not representative, it is not reasonable to expect that the results obtained from the advertising will agree with the judgment of the subjects in the laboratory.

(*d*) *Statistical technique of mental and social measurement involved in field or survey investigation.* This requires the derivation of tables and scales of measurement which will enable the investigator to make use of circulation reports and the like.

Mention has been made of these methods in order that the reader may have a general idea of the procedure employed in advertising research. This is done because, later on, the results of numerous experiments will be given, with little or no explanation of the processes by which the conclusion was reached.

SUMMARY

This chapter has introduced us to the nature of advertising, and the reasons for its existence. Advertising was briefly defined as *selling* in print. We learned that the purpose of advertising is: (1) to intensify wants or desires, (2) to influence buying.

The five problems of advertising mentioned in this chapter should be carefully noted, because they form the foundation for most of the discussion of advertising. They are:

1. Knowledge of the field;
2. Knowledge of the commodity;
3. Attracting attention;
4. Creating association between conscious need and the commodity advertised, while attention is held by securing interest;
5. Securing conviction, secondary desire, and action.

While the first two problems mentioned are separate and distinct, the last three are so closely related and interrelated that the divisions are purely artificial. For example, the method used in attracting attention may also be used to hold attention, create interest, produce a feeling of pleasantness, or even be productive of action.

We have also reviewed the principal methods of research employed in advertising, in order that we may have an idea of how it is carried on.

In the next chapter we shall discuss the first problem—knowledge of the field of advertising. This involves a study of the consumer and of the various types of mediums used in advertising.

Problems

I—11-16.

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XIII

THE CONSUMER AND THE MEDIUMS OF ADVERTISING

Knowledge of the consumer. Types of medium. Magazines. Standard and flat magazines. Newspapers. The value of local circulation. The newspaper a mass publication. Direct-mail advertising. Direct-mail is aimed at specific individuals. Street-car and bus advertising. Outdoor advertising. Printed or stamped novelties. Directories, theater programs, registers. Summary.

When we studied the "nature of man," we noted that all members of the race had certain needs and desires, certain likes and dislikes, most of which were instituted as a result of environmental factors upon a specific inherited structure. It is the environmental factors which must be investigated before intelligent advertising can be carried on, because the inherited characteristics are so similar in all human beings that knowledge of them serves only as a starting point for research, to determine the differences among various classes of people to whom advertising may appeal.

Suppose a manufacturer intends to put a new product on the market. Before starting his advertising campaign he wishes to discover the nature of the people who should be reached by advertising, and to make sure that his copy appeals to them. Starch suggests six questions[1] which, if answered, serve as criteria of the prospective consumer.

The first question obviously is: Who are the users and buyers of this particular product? A distinction must be made, in the case of many products, between the users and buyers, since in many instances they are different. It should be determined, however, to what extent the users may influence the buyers. For example, in the case of most commodities used by children, the parents—

[1] Starch, Daniel. *Principles of Advertising*, pp. 120-122. A. W. Shaw Company, Chicago, 1923.

chiefly the mothers—are the buyers. On the other hand, no doubt, the children, particularly as they grow older, play an increasing part in determining the purchases. Or again, in the case of a vacuum cleaner, the husband may play a large part in the purchase, although the wife may be the chief user or supervisor of its use.

The second question is: Where do they live? This question may seem somewhat obvious and unnecessary. However, upon close examination, accurate information regarding it is highly important in directing the advertising efforts to the right places and to the right classes of people. Furthermore, this question is equally important both for the manufacturer and the retailer. As a matter of fact, very few retailers and, likewise, not all manufacturers know with any degree of accuracy where their actual or potential buyers and consumers are located. To illustrate the importance of this problem, we will take the case of a retailer in a moderate-sized city. Does he know from what section of the city, or from what outlying territory, his customers come? As a rule he does not know, except in so far as he has a general impression, which, as a matter of fact, may be quite erroneous, as will be shown later by concrete results.

The third question is: How many users and potential buyers are there? This question is of importance in so far as it is valuable to determine approximately the total demand or total possible market for that commodity. This, again, is a more important problem than appears at first glance. In most instances it would be quite instructive to know what proportion of the available business a given retailer or manufacturer is obtaining.

The fourth question is: How large is the need of the class of users and buyers for this particular product, and how much may they reasonably be expected to buy? What is the probable buying capacity—the economic, social, and educational status—of the users and buyers of the commodity under consideration? These questions, like the third one, are, in part, related to the larger problem of the amount of possible business that may be developed for a given product within a given territory, and the proportion of that business which a given concern may secure.

The fifth question is: How do the actual or possible users of a commodity now satisfy the want which this commodity is intended to satisfy? How have they satisfied, and how are they likely to satisfy, the need? In what way? By what brand or brands? And why? To what extent do they know the names of brands? To what extent do they buy by brand? What has influenced them to establish brand preferences, or habits of buy-

ing a specific brand? All these queries are significant, and accurate, reliable information regarding them is exceedingly valuable in making effective advertising and sales plans.

The sixth question is: What are the preferences, the likes and dislikes with reference to the need which a given commodity supplies, and with reference to the various methods and brands by which this need is supplied?

By the time one has gained the major portion of the information suggested by these questions of Starch, and coupled this with a general knowledge of "human nature," he is indeed in a strategic position, so far as advertising is concerned. As a matter of fact, extremely few firms have accurate and complete knowledge of the attributes of prospective consumers outlined above. It is obviously impossible to ask every person in a community each of these questions. It is necessary, therefore, to rely on the opinion of representative persons in a territory, and to accept their answers as applying to their fellows.

TYPES OF MEDIUM

When the advertiser has become familiar with the facts about the consumer, his next problem is to discover the best medium or combination of mediums which will carry his message to the consumer. Certain types of mediums are, of course, more adapted to use with some articles than with others. It is quite obvious, for instance, that the manufacturer of chewing gum would find it more practical to distribute samples of his product than would the maker of automobiles. We are probably safe in saying that no one type of medium can honestly and literally claim to be the most economical and effective form of advertising.

So many types of mediums are available for advertising purposes that we shall merely enumerate the principal ones here, and discuss them separately as we come to them later on. For our purposes, we shall find it convenient to group them under seven headings:

1. Magazines, periodicals, trades journals
2. Newspapers
3. Direct-mail material
4. Street-car and bus cards
5. Posters, bill-boards, electric signs, handbills, and so on
6. Printed and stamped novelties
7. Directories, registers, programs, and so forth

Window displays, trade-marks, packages, agents, samples, and similar means of advertising are purposely omitted from these classifications, for the reason that they have been discussed in Part II.

MAGAZINES

One of the main fields of operation open to the national advertiser is that supplied by magazines. As a rule, magazines have larger and more widely distributed circulations than any other type of publication. A magazine is apt to be read by the same class of people the country over. A distinctly literary magazine, for instance, is read by a different set of persons from those who read the *risqué* sort of story. There are magazines dealing exclusively with outdoor life and sports; magazines which are devoted to particular lines of business, such as manufacturing, mining, and so forth; each of these is read by a particular class of people, and may be used as a medium for reaching that one group of persons and none other. The advertiser is thus enabled to adapt his "copy" to the type of person he knows to read the publication in which he places it.

Another feature of magazines in general is that they are usually read by people in their leisure time. While people are at ease, their attention is free to wander; they are reading for pleasure, or because of some particular interest which does not absolutely demand their attention. Anything which is pleasant, therefore, may gain attention.

Many magazines are printed in color, and on a quality of

paper which makes it possible to obtain pleasing effects from the art work. Magazines therefore lend themselves to the use of illustrations which attract attention because of their sheer beauty, or because of the color itself. A more detailed discussion of this point will be entered into when we reach the subject of color.

One of the primary interests of the magazine advertiser is to determine the circulation of the medium. This is not so important, from the standpoint of psychology, as to know to *whom* the magazine goes. Another important item is the location of the circulation. The advertising departments of most magazines are prepared to furnish this information to prospective clients, so that the advertiser may be guided in his buying of space and preparation of "copy." Then the advertiser must take into account the editorial policy of the magazine, and make his appeal harmonize with that of the magazine. If the magazine is primarily devoted to sports, for instance, he may take it for granted that the reader is interested in athletics and may appeal to that interest. The clothing manufacturer would be more apt to attract attention and hold interest if he were to portray people dressed to attend an athletic contest than if his subjects were arrayed for a formal party, so far as the sports magazine is concerned.

The position which an advertisement occupies in a magazine is also of considerable importance. Numerous means have been devised to test the "pulling power" of the same material placed in various positions in the same magazine. Considerable research on the subject of position has resulted in the placing of rather definite relations between the values of various spaces in a magazine. For instance, in some magazines the page opposite the first editorial page commands a higher price than similar space in other parts of the magazine. There is some disagreement, however, as to which style of magazine is the more effective for advertising purposes: the standard, or the flat type of make-up.

STANDARD AND FLAT MAGAZINES

A standard magazine is one in which the reading matter is separate from the pages containing advertising. In a flat magazine, the advertising is mixed with the reading matter, that is, reading matter and advertising appear on the same page. Some students of advertising claim that it is probable that, when one is following a story or an article through a maze of advertisements in a magazine, one is more likely to have one's attention attracted to the advertisements than if the latter were massed at both ends of the magazine, away from the reading matter. On the other hand, other students of the subject assert that if the reader's interest in a story or article is very strong, he will not pay much attention to the advertisements which are near it. As a rule, the standard magazine presents a more dignified appearance than does the flat type. This is supposed to lend prestige to the advertisements in the standard magazine. It is argued that certain classes of people do not read flat magazines at all, so that it is necessary to advertise in standard magazines in order to reach them. It is, also, just as probable that there are large groups of people who read only the flat magazines, and whose interest can be gained only through them. Since no general rule can be given as to the effectiveness of the two classes of magazines the advertiser must study the adaptability of his product to advertising in each individual magazine under consideration, regardless of whether it is flat or standard, and make his decisions accordingly.

Very few magazines carry advertisements on the front cover page. Accordingly, as one picks up a magazine, the first advertisements to attract one's attention are likely to be those on the back cover. The inside pages of the cover may be said to be of nearly the same value for advertising purposes, depending, of course, on the make-up of individual magazines. The relative values of size, and of various positions, will be discussed in a later chapter.

NEWSPAPERS

Newspaper advertising varies somewhat from magazine advertising. The daily paper, as a rule, is not read by any particular class of people, but by everyone in general. The interest is the same, however; all of the readers are seeking *news*. The advertisement must, therefore, compete with reading matter in *news interest*. One can seldom rely on color or beautiful illustrations to attract attention, as is done in magazines. Something must be presented which is information—such as change in style or price, or the arrival of new goods—and it should be done in as few words as will convey the meaning properly. This should not be taken as advice to mislead the newspaper reader into thinking he is following the account of a happening, only to find that it is an advertisement. Now that the law requires such material to be labeled "advertisement," the deception is not easily accomplished and, at all events, is poor policy. People do not like to be tricked into anything, and are not apt to have much faith in advertisers who employ such methods. The advertisement need not have the form of a news item, in order to have real news interest.

The daily paper affords great flexibility in planning and carrying out a schedule of advertising. Take the case of a dealer in electrical household appliances, for instance. He knows that most of the housewives of the community do their washing on Monday; on that day their interest is in laundering. They are more apt to be thinking about labor-saving laundry devices on that day than at any other time. So on Monday he advertises washing-machines. If it is customary for the women to do their ironing on Tuesday, the merchant may devote Tuesday's space to electric irons or something of that nature.

At times, it is desirable to remind people of things quite frequently. Often a suggestion, which is easily forgotten or is of little effect at first, can be made dynamic by constant repetition. Here, again, the daily paper adapts itself to the

need of the advertiser, for it can carry "reminder copy" every day of the week, if necessary. The retailer who wishes to spread his holiday business over as long a period as possible may thus persuade his customers to "shop early and avoid the rush." Suppose he starts three weeks before Christmas. The first day's advertisement may not produce great results, so far as the production of action itself is concerned. The second day's advertisement, however, is strengthened by the first day's; the third by the first and second; the fourth, by the first, second, and third; and so on. Each reminder carries with it the accumulated effect produced by those previously run. The rapidity with which it can produce the accumulated effect is one of the main advantages offered by the newspaper. Because the daily paper is ephemeral, however, it is thrown away and cannot serve as a constant reminder, as a telephone directory does, for instance, unless advertisements are run quite frequently in it.

The fact that "copy" for newspapers does not have to be sent to the publisher long in advance of the date of issue makes it possible to give a timely interest to the advertisement. In some of the large cities, it is possible for a clothing store, for instance, to get a fairly accurate forecast of the weather for the next day before deciding what kind of goods to advertise. If extreme cold is predicted, the merchant may offer overcoats and mufflers, provided it is not too late in the season. The element of timeliness is one of the leading components of news interest.

THE VALUE OF LOCAL CIRCULATION

The localized circulation of newspapers is of particular importance to the advertiser. Even in approaching the national market, it is often advisable to use the local newspapers almost exclusively, at the start. Where a manufacturer does not have the capital to put on a magazine campaign covering a large area, he can start intensively in

one place, and let the remaining territory wait until he has sufficient funds to carry his plans further. From the standpoint of psychology, it would probably be more effective to cover one territory thoroughly than to attempt to reach too many people with only a limited appeal.

By using newspapers and other local publications, the advertiser is enabled to adapt his material to the seasonal and climatic conditions prevailing in particular territories. The manufacturer of winter clothing, for instance, would do well to confine his advertising of that product to publications circulating where winter prevails, rather than to spend his money on magazines which go to the warmer parts of the South as well as to the North. It is often desirable to mention the price of the article advertised. If the article varies considerably in price in different parts of the country, the newspaper is obviously more practical than the magazine for such a purpose.

Another value of the localized field of the newspaper is that the advertiser may utilize local interest and happenings in presenting his appeal. If there has been a serious windstorm in a territory, cyclone insurance has a timely local appeal. Various types of building material, designed to withstand severe winds, would also demand the interest of readers. Towns have particular interests, just as do individuals, and the advertiser may well take advantage of the fact. Some towns are interested almost entirely in one line of industry, for instance; some towns are more interested in athletics than others; some places are of more historical interest than others; all of these elements lend importance to the value of localized advertising, such as is offered by the newspaper.

It frequently happens that variation of appeal is more effective than the continual use of one particular type. Certain people, for instance, scarcely consider the price they pay for clothes, because they have so much money that cost is of little consequence. They may want clothes of the lat-

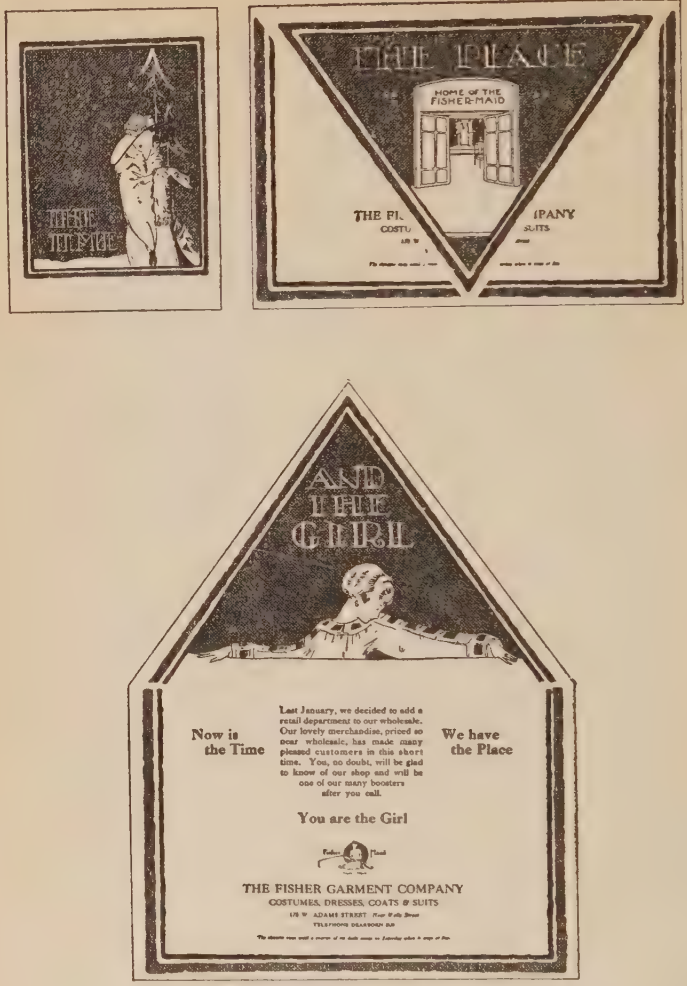
THE PLACE
HOME OF THE FISHER-MAID
AND THE GIRL
Now is the Time
Last January, we decided to add a retail department to our wholesale. Our lovely merchandise, priced so near wholesale, has made many pleased customers in this short time. You, no doubt, will be glad to know of our shop and will be one of our many boosters after you call.
We have the Place
You are the Girl
THE FISHER GARMENT COMPANY
COSTUMES, DRESSES, COATS & SUITS
178 W. ADAMS STREET

Figure 3: This folder—the three views show it folded and completely unfolded—prettily printed in colors, was sent out to the women attending a local university. The effectiveness of such direct-mail advertising may readily be seen. Not only is it unique in design, but it suggests the qualities which the average young woman likes, such as novelty, daintiness, prestige, and so forth. (*See page 231.*)

est style, or they may desire clothes which wear well, regardless of cost. Another group of persons want good clothes, but must carefully consider the price which they pay for raiment. A merchant may carry a stock suited to the needs of all these people. If he should run an advertisement containing three main appeals, designed to influence three different types of buyer, no one of the appeals would be as effective as if it were alone. The newspaper, because of the frequency with which it is issued, offers opportunity for varying the appeal from day to day, so as to reach a large number of people with different interests.

THE NEWSPAPER A MASS PUBLICATION

We choose to call the magazine a *class* publication, because it is not read by everyone, but by a certain group of people whose interests are much the same. The newspaper, on the other hand, is a mass publication, read by old and young, rich and poor, in all walks of life. It presents opportunity for *mass,* or *group* appeal. Suppose a newspaper carries an advertisement of an automobile into a home where there are a father, mother, and three children ranging from 12 to 17 years of age. The father sees the "ad," and while it appeals to him somewhat, it does not have enough "pulling power" to cause him to act, or even to mention to the family the fact that he is at all interested in the subject. Perhaps the advertisement has affected the mother similarly. The same may be the case with two of the children, but suppose the third child observes that it is about time the family bought a car. The suggestion brings to the consciousness of each individual various features of the advertisement, and the family has a common background for discussion. One member of the family has noticed points that were neglected by the others. As each one mentions the attributes in which he is particularly interested, the interest of the whole family is strengthened. Finally, group pressure may become so strong that the

father buys the automobile. Of course, the newspaper offers a much larger field of mass appeal than the family group, since it is possible to reach nearly a whole town as a unit, through the daily paper. Wherever the mass or group appeal is practical, the newspaper is usually found to be a valuable medium for advertising purposes.

There is a sense, however, in which newspaper advertising appeals to small groups of people with specialized interests. That is in the classified section. Little inquiry has been made into this field from the standpoint of psychology, so far as we know. Here there is usually no opportunity to utilize color, illustrations, or many of the other methods of advertising. It is presumed, however, that one who reads the advertisement is already interested in the subject or he would not have sought out the particular section in which the item appears. It is possible, moreover, to convey strong suggestion in very few words. Sometimes, the mere fact that a complete description is impossible in the short space available is responsible for the arousal of considerable curiosity. Then again, the need of the man who reads the classified advertisement is likely to be great, and a meager appeal therefore has strong results. The man who is seeking employment does not have to be attracted by beautiful illustrations and other such means, to let him know that someone has a job for him. The majority of classified advertisements are inserted by those who are not so familiar with the practices of advertising as are most of the users of display space, and, consequently, the "copy" is less effective than it might be if it were written by more experienced men. Most magazines carry little in the way of classified advertising, so that the newspaper is the leading medium in this specialized field.

DIRECT-MAIL ADVERTISING

Direct-mail material may be said to rank immediately below magazine and newspaper advertising in importance.

Figure 4a: The folder reproduced on this and the following page was sent out to housewives and was so timed as to be received in the Tuesday-morning mail; it must have had a disastrous effect on the advertiser. The first page of the folder, as shown above, suggests a sheet of music. However, the deception is soon discovered and the feeling of unpleasantness is very likely to be attached to the merchandise advertised. (*See page 231.*)

TUESDAY SMILES. You Can Easily Make Your Ironing Day a Day of Smiles

IT WILL PAY YOU. READ EVERY WORD—
EVERY SINGLE WORD OF THIS

You, too, will smile—

Simplex Ironer

SHIRT 3 MINUTES

POWDERS 3½ MINUTES

TABLE CLOTH 3½ MINUTES

CHILD'S DRESS 2½ MINUTES

Try One Yourself!

Read the Wonderful Offer On the Next Page

Not One Penny Down!

And Sent to You on 10 DAYS TRIAL

The World Famous SIMPLEX IRONER "THE BEST IRONER"

Yes Mother, that's exactly what we mean! We'll send you this splendid brand new SIMPLEX IRONER on [illegible] trial. Remember it costs absolute[ly] no cost [illegible] no obligation to you. We just want you to see it [illegible] at our expense, that's why we [illegible] you your biggest ironing quickly, easily and perfectly — you will be simply amazed.

Try it see for yourself how easy it is to iron your dresses, shirts, underwear, your finest embroidery, even — your sheets, pillow cases, and tablecloths. Subject to every ironing test you can think of. Then if for any reason whatsoever, you don't want to keep it, we'll send it back and it won't cost you one penny. But if you decide you want to keep it

Then All You Need to Pay Is

Just $4.50 After 10 days trial

[illegible]

Special Lot Only

Unless this Special Allotment of Simplex Ironers is exhausted before

This Great Offer Positively Ends Saturday, 6 p. m., April 7th

PATTERSON BROTHERS
828 Davis Street
Evanston, Ill

Special INFORMATION Coupon

PATTERSON BROTHERS
828 Davis Street, Phone Evanston 654

Gentlemen:

[illegible]

Name

Address

City

Figure 4b: The double-page inside spread of the "sheet music" circular, the front page of which is reproduced on the preceding page. (*See page 231.*)

Many large business houses are said to utilize as much as one-third of their advertising appropriations for direct mailing purposes. There are, of course, houses which use no other medium of advertising than the mails. All of the general principles of advertising apply to the direct-mail field. There are also several features peculiar to this type of publicity which we shall discuss here.

It may be well to enumerate the different classes into which we may divide direct-mail material. Among the types now in use are:[1]

1. Letters. Form letters, printed letters, processed letters with names inserted to resemble personal letters, and various material resembling the general form of letters are used quite extensively.
2. Catalogs.
3. Booklets, circulars, and folders.
4. House-organs.
5. Mailing-cards and broadsides. Broadsides are printed sheets of varying size, usually folded in some novel way.
6. Enclosures of cards, and so forth, along with regular correspondence, or in packages of products placed on the market.
7. Poster stamps, "stickers."
8. Calendars and almanacs.
9. Miscellaneous novelties, such as blotters, coupons, photographs, samples, and the like.

DIRECT-MAIL IS AIMED AT SPECIFIC INDIVIDUALS

The term "direct-mail" has, perhaps, been applied to this type of publicity because, properly used, it is probably the most *direct* means of reaching folks. It is aimed at specific people, whose names have been selected because they might be supposed to be interested in the subject of the campaign. There are so many lists of names, directories, membership lists, and so on, that it is possible to obtain the names of numerous prospects without a great deal of expense. It is of prime importance, however, to ascertain the class of people to whom the material is to be sent, so as to make

[1] This list is suggested by Starch, Daniel, *Principles of Advertising*, p. 830. A. W. Shaw Company, Chicago, 1923.

sure that they will be interested in it, and be able to take some kind of action. The manufacturer of aeroplanes, for instance, would probably sell few machines as the result of a campaign addressed to the names in a telephone directory.

The direct-mail field affords even more elasticity in planning campaigns and schedules than does the newspaper. When an advertiser realizes that one appeal may have effect with some folks, and that another means of persuasion will work better with other prospects, he can either send both appeals at separate times to all of his lists, or divide up the lists and send only the material which he thinks will be effective to particular individuals. If he starts a long series of material, to be posted at definite intervals, he may be able to take out the names of those from whom results have been obtained as time goes on, so that the ones who act early do not receive repeated appeals after they have responded. People do not like to be called upon to do something they have already done. Generally speaking, the first appeal is the strongest, repeated ones diminishing in strength as their number increases. Reduplicated appeals for action which has already been taken often cause such a feeling of unpleasantness that they serve as inhibitions on other action, which might be taken in the future.

Direct-mail advertising is valuable because of the personal element it may contain. This is especially true if the name of the person to whom it is addressed appears in the letter. Even though that person is aware that he has received only a form-letter with his name attached at the beginning, his interest has been aroused, because the fact that his name is on it carries the suggestion of individual ownership; it is a message particularly for him. It is often profitable to go to considerable expense to make direct-mail matter as individual as possible. Then, too, the material may be presented in a private, informal way, which interests one more than would a general appeal. It is probably easier to appeal to personal pride, vanity, or emotion through an addressed letter than through any other medium.

EDWIN D. KRENN EDWARD A. DATO

KRENN & DATO

EXCLUSIVE AGENTS FOR MRS. ROCKEFELLER MCCORMICK PROPERTIES
BUILDERS - SUBDIVIDERS - INSURANCE
ROCKEFELLER BLOCK
936 NORTH MICHIGAN AVENUE
TELEPHONE SUPERIOR 7046
CHICAGO

October 17, 1924

Professor A. J. Snow,
2020 Sherman Avenue,
Evanston, Illinois

My dear Professor:

The enclosed reprint of an advertisement which recently appeared in the Chicago Tribune, contains a message which should interest you; if for no other reason than the fact that it is a new idea in community development.

This is not just another real estate sales idea, but a fact, sponsored by KRENN & DATO, the most progressive organization of its kind in Chicago.

An investigation of our proposition will be very interesting and it will be left entirely to yourself as to whether you wish to profit by the knowledge gained.

Kindly communicate with the writer, and at your convenience, he will supply you with full details.

Yours very truly,

James F. Barger

JFB:ML

Figure 5a: This letter, and the advertisement shown in Figure 5b on the following page, constituted a follow-up of an intense, local newspaper campaign. As the reader may notice, the advertisers used a list of prospects chosen from among those who would be interested in this specialized appeal. *(See page 231.)*

UNIVERSITY FIELDS

WHERE A COLLEGE MAN WILL FIND NEIGHBORS WHOSE PRECEDENTS ARE SIMILAR TO HIS OWN

RECOGNIZING the need of an exclusive residential community for men whose precedents have afforded mutual affiliations, a group of prominent business and professional men, with the aid of a large Real Estate firm, have undertaken the development of University Fields

As an exclusive North Shore community where college men may build their estates, University Fields is destined to become a distinctive settlement of high character The atmosphere will be that of culture and refinement The location selected is unsurpassed in this section of the country for its natural beauty

High above the Skokie Valley overlooking the most historic Country Club on the North Shore and surrounded by magnificent country estates, this section provides superb settings for homes of the better type The selective feature assures one of neighbors whose training and inclinations are in accord with his own

An exclusive community development of this sort must of necessity be limited in the number of sites available Prices, including all improvements, are not excessive and liberal terms may be arranged May we suggest that qualifying parties who are interested write to J F Basiger, 936 North Michigan Avenue for further particulars Inquiries incur no obligations and will be regarded in strict confidence

Figure 5b: The advertisement which accompanied the letter shown in Figure 5a. (*See page 231.*)

There are various ways in which direct-mail material may be utilized, among which are the following:[1]

1. To *sell* directly by mail;
2. To serve as a supplement to general advertising, such as that carried in magazines and newspapers;
3. To prepare the way for a salesman before he calls;
4. To follow up a salesman, in order to add selling arguments and to keep them in mind until his return;
5. To remind people of action they intended to take in the future, but may have neglected to do;
6. To make special appeal to selected people, or to a selected section of territory;
7. To meet unexpected changes in climatic or market conditions;
8. To distribute samples.

Direct-mail material does not have to compete with news or fiction for the reader's interest. Therefore, it does not have to make use of such strong attention devices as does advertising which appears in publications. Direct-mail must gain interest and hold it, however, or it goes into the waste-basket, having done more harm than good. A poor piece of mail matter may be negative in effect, in that it has called the attention of the recipient to something which did not interest him; he has been bothered, and is less apt to lend his attention to the same product in the future. Figures 3, 4a, 4b, 5a, and 5b, on pages 222, 225, 226, 229, and 230, are specimens of three different types of direct-mail literature. The use to which each was put is explained in the caption below the illustration.

STREET-CAR AND BUS ADVERTISING

Cards placed in street-cars and busses have assumed large importance as mediums of advertising. Practically every street-car in the country carries a number of advertise-

[1]This order is suggested by Starch, Daniel, *Principles of Advertising*, p. 834. A. W. Shaw Company, Chicago, 1923.

ments. In the cities, where the majority of people ride either on surface, elevated or subway cars, or on busses, this form of advertising has more of a universal and mass appeal than does newspaper advertising. It has been estimated that almost nine-tenths of the adults in the large cities are reached quite frequently by this method of publicity. The class of people which seldom reads even the newspaper is reached by street-car advertising.

Street-car advertising, like direct-mail, has no competition from news or fiction interest, except as passengers may be reading newspapers or magazines which they carry with them. The motion of the vehicle and the poor light, in many instances, are not conducive to intensive reading, and the attention of the passengers is free to wander. Accordingly, there is no such great need for catching attention as there is in newspapers and magazines. As a rule, every card has an equal chance of attracting attention, so far as position is concerned. There are numerous exceptions to this, of course, but usually spaces are about equal in value. Most of the cards are placed so that a minimum of effort is required to see the advertisement, which is a great aid in attracting attention.

Though attention is easily gained by cards in street-cars, it is necessary to use the best of devices to hold it and develop interest. There are numerous other cards to which the range of attention might pass, just as it drifted to the particular card with which we are working. The use of color and beauty, anything to produce a pleasant feeling or develop association, is of great importance, just as it is in magazine advertising. Once the person's interest is aroused, there is sufficient opportunity for logic and persuasion, because there is no other great demand on his time. Things have longer periods in which to impress themselves than they do in newspaper and magazine advertising. Often, the attention comes back to an advertisement time and time again, so that the impression is considerably strengthened by repetition.

Another advantage of the card in the street-car is that it is frequently the last form of advertising observed before one enters a store to do one's shopping. It may serve as a reminder to buy something which one remotely needs, and has intended to purchase when convenient.

OUTDOOR ADVERTISING

Posters, bill-boards, electric signs, motion pictures, radio-casting, skywriting, and such means of obtaining publicity, are governed by much the same laws and principles as are the other forms of advertising. All of these methods, while they may be quite effective, are to be used only with great care, lest they cause offense and do more harm than good. An unsightly bill-board in the midst of a beautiful landscape may cause such a feeling of unpleasantness that more prejudice is aroused against the company or product advertised than in its favor. The advisability of using these types of advertising must be determined in particular cases and not by general rule. The same is true of advertising slides injected into a moving picture entertainment, where the patrons may resent interruption of the program.

PRINTED OR STAMPED NOVELTIES

The practice of giving away advertising novelties, such as stamped match-boxes, whistles, knives, ash-trays, printed blotters, rulers, and so on, is frequently quite effective when engaged in judiciously. The value of this type of publicity depends largely on the utility of the object used as a medium of advertising. A certain store gives to its customers bread knives bearing its advertisement. These knives are of such quality that they find ready use in the homes of the customers; since the knives are used daily, they serve as continuous reminders of the store from which they came. The utility of the article insures constant observation of the appeal it carries.

The gift must be appropriate, of course. It would hardly be practical for a beauty parlor, patronized exclusively by women, to present its clients with cigar cutters as a means of advertising a particular brand of cosmetics. The article should suggest the line of interest it is intended to advertise, or at least should not be so obviously conflicting as the case just mentioned. It is also important to see that the article is distributed to the right people, and not to those who would have no use for it or who are incapable of responding to the appeal.

If the article distributed is of particular value, it may create a considerable amount of good-will. The man who has accepted a gift of a small leather purse from a bank, for instance, consciously or unconsciously feels a certain obligation toward the bank. The gift has caused a certain amount of pleasant feeling. The practice of distributing small articles in this manner may result in the building up of good-will which continues long after the article has been forgotten.

DIRECTORIES, THEATER PROGRAMS, REGISTERS

Directories, such as telephone books, city directories, and the like, are valuable because they are constantly referred to. In the regular edition of the telephone directories—not the classified directories—in many large cities, classified advertisements are being printed, grouped according to "neighborhoods" or sections of the city in which the advertiser is located. This practice is found very effective in conjunction with the "neighborhood movement" in the larger cities, in which the merchants located in the outlying sections are organizing in an effort to encourage patronage of the smaller shops in the neighborhoods. As a charge is made for the classified directories, the majority of homes do not have them, while the advertisements placed in the regular directory reach the home of every telephone subscriber free of charge. The cover space is extremely valu-

able, especially for services such as that of taxicabs, because of the conspicuous position the directory usually occupies in the home. Where time is a factor, the individual desiring such service will call for the cab whose telephone number is most prominently displayed, other things being equal, rather than search through the pages of the directory for a number. Classified telephone directories are particularly effective, because when people use them they are motivated by particular interest, just as they are when they read the classified advertisements in the newspaper. The woman who is about to call a cleaner and dyer, for instance, may look in the directory under the heading "Cleaners and Dyers" and call the one whose advertisement appeals to her the most strongly.

Theater programs are valuable because they often fill moments of monotony in the program, and easily attract attention at a time when there is no great demand on it. Advertisements in entertainment programs are apt to be most effective when they suggest something relevant, such as a place to dine after the present divertisement has been completed.

SUMMARY

Our study of the consumer is based largely on what we learned of the "nature of man" in Part I. We find that there are numerous angles of approach to be used in analysing him for the purpose of reaching him with advertising.

We also learn that numerous varieties of mediums are available for advertising purposes, each of which has peculiar advantages for advertising certain commodities and for reaching certain classes of people. A study of the problems of the individual advertiser—in terms of his potential consumer—must be made in each specific case before it is possible to determine what type of medium to use.

In the next chapter we shall see that there are different types of advertising, as well as of medium, each with its

own aim or purpose. We shall also learn of the various fields in which advertising is employed.

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XIV

THE CLASSIFICATION AND FIELD OF ADVERTISING

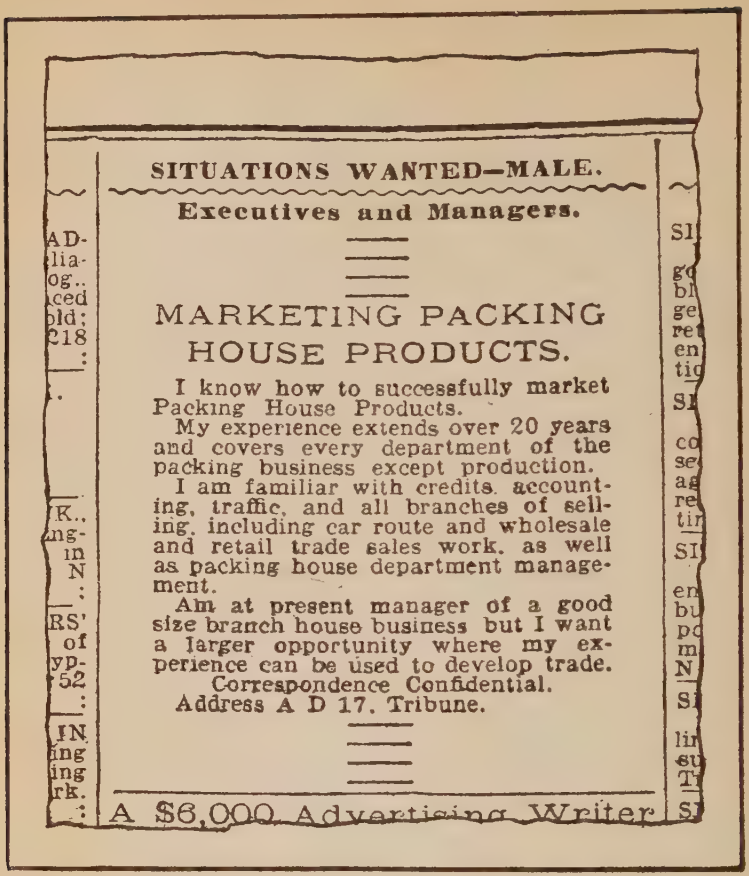
Classified advertisements. Publicity advertisements. Display advertisements. The fields of advertising. Retail advertising. Foreign advertising. Financial advertising. Summary.

Now that we have taken account of the various types of advertising mediums, let us examine the different classifications into which advertising falls.

The simplest form of advertising is the *classified advertisement*. This was discussed at some length in the preceding chapter, on page 224, which it would be well to review, if the reader is not familiar with the subject. Classified advertisements are generally simple announcements or invitations for those who are presumed to have some interest in the subject of the notice. They do not need to have the quality of being easy to remember, as the person for whom the message is intended will take proper note of the contents. They must, however, be intelligible—worded clearly and accurately—in order to give definite ideas and eliminate mistakes. The classified advertisement shown on page 238 illustrates the application of some of these principles.

Classified advertisements must, of course, be directed to the particular type of reader of the paper in which the "ad" is inserted. It is necessary that the advertiser have a knowledge of mediums for classified advertising, as well as for any other type of advertising.

Classified advertisements are subject, in a measure, to the general laws of reading, spacing, position, and legibility of type which govern all advertising. These will be discussed in a later chapter.



SITUATIONS WANTED—MALE.

Executives and Managers.

MARKETING PACKING HOUSE PRODUCTS.

I know how to successfully market Packing House Products.

My experience extends over 20 years and covers every department of the packing business except production.

I am familiar with credits, accounting, traffic, and all branches of selling, including car route and wholesale and retail trade sales work, as well as packing house department management.

Am at present manager of a good size branch house business but I want a larger opportunity where my experience can be used to develop trade.

Correspondence Confidential.

Address A D 17, Tribune.

A $6,000 Advertising Writer

Figure 6: A classified advertisement which is a simple and direct announcement clearly, intelligently, and accurately worded for some person who may be particularly interested in finding just that kind of a position.

PUBLICITY ADVERTISEMENTS

The *publicity advertisement* is usually intended, not to produce action, but to serve as a reminder of previous appeals, or to familiarize the public with names and trademarks. Often such an advertisement consists merely of the illustration of a product, together with its name and trade-

© C OF W 1924 "THE SPEAKER OF THE HOUSE"

Figure 7: A publicity advertisement which is a reminder of previous display appeals. (*See page 241.*)

1. The Table Stove fries.
3. It broils chops or anything else.
4. And it toasts marshmallows, too. It does almost everything.
MORE CONVENIENCE OUTLETS MAKE MORE CONVENIENT HOMES
Good for Ten Years
The Table Stove—the first Westinghouse Electric Household Appliance—is as useful and as well liked today as it was ten years ago. It does every sort of cooking that should be done at the table, does it quickly, faithfully for years—and always appetizingly.
Crisp, delicious grilled bacon; eggs fried the way you like them; fried cakes; French toast; broiled chops; tea toast-lover's toast—these are just a few of the things it will cook right at the table. The Table Stove has introduced table cooking in thousands of homes!
WESTINGHOUSE ELECTRIC & MFG COMPANY
Offices in all Principal Cities. Representatives Everywhere
WESTINGHOUSE ELECTRIC
Westinghouse
© 1922 by the Westinghouse Electric & Manufacturing Company

Figure 8: A display advertisement which, by its strong direct selling appeal, aims to take the place of a salesman. *(See page 242.)*

mark. The purpose is to impress certain things on the memory of the buyer.

Frequently, publicity advertising is used to excite curiosity about a product which is soon to be announced. A particularly effective "teaser" campaign, as they are sometimes called, was carried on recently, in which a name was displayed for some time by itself, with no explanation. The next advertisement in the series consisted of the words, "What is——?" using the name of the product. By the time the explanation of the nature of the article was published, the curiosity of the public had been so aroused that attention and interest were excited by the display of the name at the top of the advertisement.

From the standpoint of psychology, there are several important items which must be borne in mind in using this type of advertising. The means of gaining attention are worthy of serious consideration, since the advertisement is of no effect if it does not attract attention. The chief methods of gaining attention are objective, or mechanical; for instance, size and contrast are used to a large extent. There is no great need of holding attention for any length of time. The object is to impress an idea; when this has been done the task is complete. Therefore, the different ways of causing people to remember things, such as repetition, are important. The "Cream of Wheat" advertisement, on page 239, is a publicity advertisement of the reminder type in that the genial chef, as in all the "Cream of Wheat" advertisements, is prominently displayed. In order that names and trade-marks be easily remembered, they must be legible and easy to read. It is also frequently advisable to depend somewhat on the production of a pleasant feeling-tone, as the feelings of pleasantness and unpleasantness are apt to be easily recalled. Lastly, the publicity advertisement should carry with it a definite meaning; the central word or idea should convey some association. For example, *Jones Brothers' Toothpaste* suggests a specific product. These items will be discussed in a later chapter.

DISPLAY ADVERTISEMENTS

The *display advertisement* is a selling force in itself. It may even be said to take the place of the salesman, in many respects. Figure 8, on page 240, is a specimen of an advertisement designed for this purpose. It employs most of the forces which direct and intensify desire. It is a direct appeal, and should include all the elements necessary to produce action, though that action is not necessarily buying. The purpose of the advertisement may be, simply, to get prospects to come to a store and look at goods, or to write in and inquire about the product. The selling may be done later. Display "copy" should usually be educational in its nature, telling something about the commodity, or the company, advertised, the reasons why it should be purchased and the like. The advertisement in Figure 9, on the opposite page, is a good example of this type of copy. The psychological factors involved in display advertising, which are quite numerous, will be discussed later.

THE FIELDS OF ADVERTISING

The advertising profession is somewhat concerned with the various fields of advertising, because of what we may term the mechanical details involved—that is to say, the magnitude of the campaign, the amount of territory to be covered, the number of mediums to be employed, and considerations of that nature. From the standpoint of psychology, we are not greatly interested in the classification according to "fields," except in so far as we may have mentioned factors which overlap these categorizations. It is well, however, for us to review briefly the different classifications of advertising according to the various fields which they serve.

The different fields of advertising may roughly be said to fall under four headings: (1) national, (2) retail, (3) foreign, (4) financial.

Figure 9: An advertisement which uses a publicity as well as a display appeal. It familiarizes the reader with the trade name as well as influences a direct appeal to action through suggestion. (*See page 242.*)

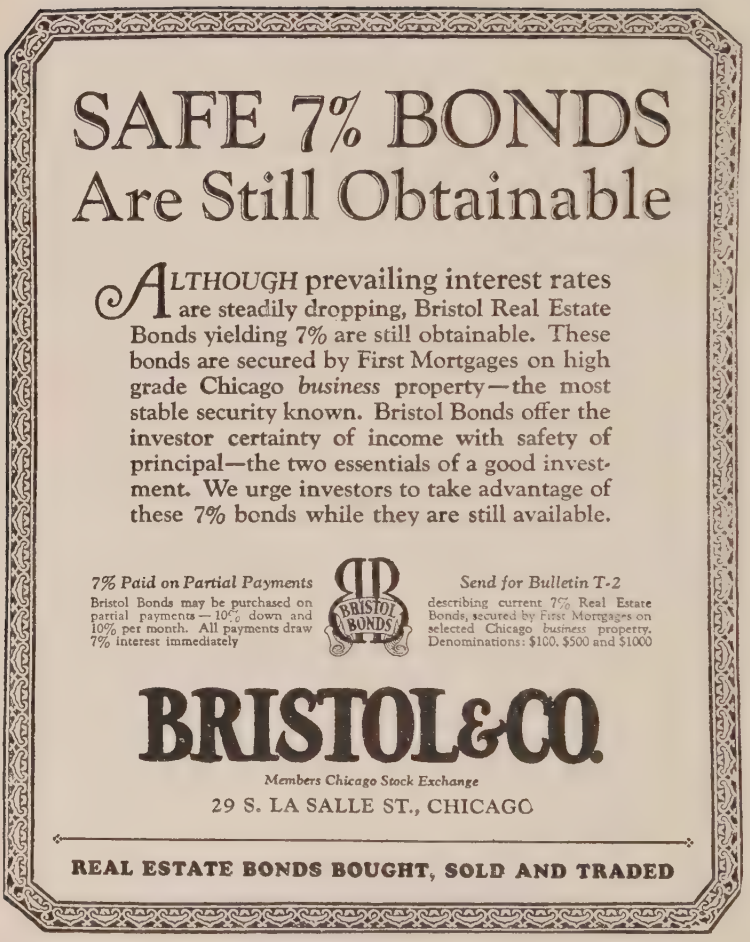

SAFE 7% BONDS
Are Still Obtainable
ALTHOUGH prevailing interest rates are steadily dropping, Bristol Real Estate Bonds yielding 7% are still obtainable. These bonds are secured by First Mortgages on high grade Chicago business property—the most stable security known. Bristol Bonds offer the investor certainty of income with safety of principal—the two essentials of a good investment. We urge investors to take advantage of these 7% bonds while they are still available.
7% Paid on Partial Payments
Bristol Bonds may be purchased on partial payments — 10% down and 10% per month. All payments draw 7% interest immediately
BRISTOL BONDS
Send for Bulletin T-2
describing current 7% Real Estate Bonds, secured by First Mortgages on selected Chicago business property. Denominations: $100, $500 and $1000
BRISTOL & CO.
Members Chicago Stock Exchange
29 S. LA SALLE ST., CHICAGO
REAL ESTATE BONDS BOUGHT, SOLD AND TRADED

Figure 10: Financial advertising such as this that aims in the directing of investments can be found in most local newspapers. (*See page 247.*)

NATIONAL ADVERTISING

Except for the fact that national advertising may involve the use of magazines, and other mediums, of widespread circulation, the problems of the national advertiser are much the same as those of the retailer, which are taken up in the next paragraph. Advertising, in general, is often of more importance to the retailer than to the manufacturer, because the former usually depends on the consumer to come to him, while the latter sends salesmen to make contacts for him.

RETAIL ADVERTISING

The problems of the retail advertiser are much the same everywhere, though, of course, the solution of these problems varies considerably, according to the locality in which the merchant is located. The advertising itself has the same functions, and must follow the same rules in regard to preparation, as any other type of advertising. The general problems of advertising, which comprise the questions of the consumer, the product, and the mediums to be used, have been discussed in another chapter of this book. The main questions, on whose answers depend the nature of the campaign to be followed, are repeated here for the sake of emphasis.

1. To whom may the commodity be sold?
2. To what class, or classes, of people does the particular store or article appeal, or aim to appeal?
3. By what appeals may the various commodities be sold?
4. How may the appeal be presented most effectively?
5. What mediums should be used?
6. What is the proper expenditure?

It is, of course, impossible for us to answer all of these questions, because the answers are different for every merchant and every field of retail advertising. All that is

necessary is to apply the general principles which we have learned, and which we shall learn in the following chapters.

FOREIGN ADVERTISING

Even in the field of foreign advertising, the same general rules apply, and the same questions must be asked in making a survey. Bearing in mind our previous remarks on the fundamental endowment and characteristics of the consumer, we may say that human nature is the same the world over. The exterior manifestations differ greatly, however, and must be taken strictly into account in advertising. People are governed by different habits, customs, traditions, and ideals, in various parts of the globe. They have varying scales of intellectual and aesthetic development. A story is told of a bushman in Africa, who was educated at a mission school and brought to London to hear a beautiful symphony. He listened intently all through the program, and was enthusiastic in telling how much he had enjoyed hearing the great orchestra. When asked what part he had liked best, he described the tuning of the instruments before the real playing started. His aesthetic sense had been developed differently to that of his civilized friends. An advertisement which seems beautiful to the American may not appeal in the least to the man in another land.

One must be thoroughly familiar with the customs of a country before one can hope to advertise there intelligently. In America, for instance, the majority of young housewives do not have servants to do their work for them. They are continually on the lookout for labor-saving devices in the home. A picture of an attractive young woman, easily scouring her pots and pans with a certain brand of soap powder, is therefore quite effective in an advertisement in this country. In Chile, however, the same picture would be absurd, because it would be a positive disgrace for anyone but rather slovenly servants to clean pots and pans. It would be just as effective to portray an American gentle-

man, attired in a frock coat and silk hat, going out to the forest to cut wood with a special brand of axe; in fact such a picture would probably be more effective than the one just mentioned, because the American public has a more highly developed sense of humor than has the Chilean population.

The mediums also vary considerably in different countries, which constitutes an important psychological factor. In China, where illiteracy is very high, the most effective advertising is said to be carried on by means of distinctive and easily remembered trade-marks, displayed on posters and banners. In some countries it is necessary to advertise in several different languages, as there are numerous tongues spoken, of which many people do not read more than one. All of these things must be taken into account in advertising—the economical, social, climatic, intellectual, ethical, physiological and psychological features, as well as the various mediums for the distribution of publicity. Numerous reports have been published on advertising conditions in specific foreign countries, to which the reader is referred, if he desires further information.

FINANCIAL ADVERTISING

While the general problems of advertising apply to financial advertising, as well as to the other types of publicity, there are some difficulties peculiar to the financial field. This is due, in part, to the position which banks and the better class of investment houses have taken in the past with respect to advertising, an attitude which is gradually being displaced by a new policy of public relations. Not long ago, it was considered undignified, and even unethical, for financial houses to advertise to any great extent. Advertising was used largely by the swindler and fly-by-night stock salesman. Today, most of the reliable institutions of banking and investment have come to regard it as their duty to aid in directing the investments of the community into the right channel. They realize that, in order to do

this, they must use the best and most efficient advertising methods, and eliminate the advertisements of worthless investments. The Liberty Loan bond campaign taught investment and banking houses a great deal concerning the possibilities of advertising public-utility bonds and securities.

The old type of financial advertising was aimed to produce "good-will"—probably, as often as otherwise, to gain the good-will of the paper in which the copy was run. It was apt to be ultra-conservative, overdignified, and altogether too formal to be of interest to the majority of readers. Sometimes it was entirely irrelevant; it usually lacked convincing appeal, and the presentation of what appeal there was, was ineffective. Above all, it was impersonal and did not reach any one in particular.

Slowly, but surely, these institutions are adopting the methods now used by the best companies in other lines of business. They have found that many of the purposes they wished to accomplish could be brought to fruition by advertising. Many people actually know so little about some of the services which financial houses are equipped to render, that they fail to take advantage of the opportunities available. It is safe to say that many people have never opened either a checking, or a savings account, simply because they never had the advantages of such facilities brought to their attention. It is possible for financial houses by the use of advertising, to educate the public as to what actually constitutes a sound investment with reasonable return. Figure 10, on page 244, illustrates the type of financial advertising which is being more and more used in newspapers and other local mediums.

While one bond house may procure for its customers the same class of investments offered by another, there is a difference in the scope and quality of service offered by various houses. The public ought to know this. The best way to spread this information is by the use of advertising, which is relevant, specific, direct, and appealing, provided

it is carried by the proper medium to the right sort of person. Prestige can be built up by good advertising, as easily as it is destroyed by the use of questionable methods.

Most financial advertising is placed locally and not nationally, so that mediums of local circulation are most often used for this type of publicity. Direct mail is frequently utilized, because it has an individual appeal. The relation a man bears to his banker is, perhaps, more personal than his connection with his grocer or hardware dealer. The bank has professional advice to offer, which is more personal than tea and flour. Banks and investment houses are usually quite important in local business relationships, and in the general life of the community. Newspapers and street-car cards are, therefore, effective mediums of advertising financial institutions, because of the local significance they bear.

SUMMARY

In this chapter we have learned that advertising falls into three classifications, (1) classified, (2) publicity, and (3) display, each with its particular function. As we have pointed out, it is impossible to state the particular type of advertising best suited to an enterprise. Display advertising is, of course, most adaptable and generally used, with publicity ranking next in use. Publicity advertising functions mainly as a reminder and therefore usually must be preceded by display advertising which is explanatory and educational. For example, the value of the extensive publicity advertising of the Wm. Wrigley Company would be greatly impaired had it not been preceded by the educational display advertising. The function of classified advertising is very definite and distinct, as has been pointed out.

We noticed that each of the four fields of advertising—(1) national, (2) retail, (3) foreign, and (4) financial—involves peculiar problems which must be taken into account in planning campaigns.

In the next chapter we shall take up the second and third problems of advertising, which are *knowledge of the commodity* and *attracting attention.*

References:

ADAMS, H. F. *Advertising and Its Mental Laws,* chaps. iii-iv. The Macmillan Company, New York, 1916.

HOLLINGWORTH, H. L. *Advertising and Selling,* chap. iii. D. Appleton and Company, New York, 1913.

STARCH, DANIEL. *Principles of Advertising,* chaps. xxxiv-xxxvii, A. W. Shaw Company, Chicago, 1923.

TIPPER, H., HOLLINGWORTH, H. L., HOTCHKISS, G. B., and PARSONS, F. A. *The Principles of Advertising,* chap. ix. The Ronald Press Company, New York, 1915.

XV

THE COMMODITY; ATTRACTING ATTENTION

Knowledge of the commodity necessary for successful advertising. Attracting attention; the laws of attention. A. Objective methods: size; frequency; intensity; position; motion; contrast. Limitation of objective methods. B. Subjective methods: illustrations; suggested activity; color; novelty; comic; arrangement. Objective versus subjective methods. Summary.

In order to solve the second of the problems suggested, it is necessary that the advertiser familiarize himself with the commodity he is to sell; he must determine what attributes of the produce will satisfy the desires of the consumer, and he must stress these points in his appeal. It is obviously impossible to go into detail in a discussion of this problem, as the number of commodities is almost countless. The problem is an individual one in each different case, and no general solution will suffice.

Bearing in mind the "nature of man," which we have previously studied, it is not a difficult task to discover what qualities of a commodity appeal to the consumer. If the product is hosiery, for example, and its appearance is attractive, then it would be well to stress its beauty. If it should happen to be inexpensive footwear of good wearing quality, it might be effective to use an appeal based on service and cheapness. Of course, the same commodity may attract one class of people by its price, another group by its appearance, a third by its wearing quality, and a fourth for reasons of prestige. A product which has a number of selling points is, therefore, likely to have a larger sale than one which appeals to a limited class of people. Whatever the commodity, if its existence is at all justified, it has attributes which satisfy the needs and desires of man, and which serve as the basis of advertising appeals.

ATTRACTING ATTENTION

Our third problem has been roughly stated as that of attracting attention. As we mentioned in an earlier chapter, no appeal can be presented until attention has been attracted. Attention is a state of being aware of something. We attend when we want to gain clearness of ideas or images, to be ready, to make motor adjustments for clear impressions, to anticipate, to explore, to feel, to be interested, curious, and so forth. While attention is not a single mental process, it is the focusing of our mental life. The physiological foundation for the existence of such a focal point is to be found in the neural laws of stimulation, facilitation, and inhibition. Not all human beings attend to the same things, nor do they always deliberately decide to what they shall attend. Attention normally follows interest. It is selective. The individual, however, attends at the moment because of his present organic state.

There are two ways by which attention is produced; one is objective and the other is subjective. In each case, however, the resulting condition of attention at any given moment is the result of the total situation, the present state of the organism, and the general nature of the environment. Objective attention is present when the subject reacts to such external forms of stimuli because of their intensity, size, or contrast with the surroundings. Such a stimulus may be a brilliant light, a strong odor, or a loud sound. But the subject very quickly becomes adapted to such forms of attracting attention. If the stimulus continues, he ceases to notice it. Such forms of stimuli, because all human beings react to them, are regarded as objective in origin.

Subjective conditions are more characteristic of the attention process. They are usually free to follow personal interests. But frequently there is no conscious antecedent desire, no "will to attend." The cause for individual differences in subjective attention is to be found in the personal history of the subject. There are five different groups of subjective

conditions. They are: (1) immediately preceding sensations, (2) purpose or mental attitude, (3) education and experience, (4) social control, customs, traditions, and ideals, and (5) heredity. This form of attention is more interesting to the subject and, therefore, more lasting, and consequently of more importance to advertising.

The range of attention, or the number of things which may be perceived at one time, is small. The number of objects that can be seen are independent of size and complexity. One finger or a whole hand can be attended to with approximately the same ease. In fact, a hand is noticed and remembered better than a single finger which one has just seen. One really attends to only one object at a time even though one reports as many as five objects having been seen at a single exposure. Examinations of such experiments have shown that the subject really studies the objects after the exposures have been made. Impress of the experience exists in the vivid memory after-image for over two seconds. This is long enough to study five objects.

The length of time that a subject will pay attention without a break to a single detail is rather short—about one second. Of course, one may pay attention to a single object for a long time, but not to one small detail. Attention fluctuates rather rapidly. This may be due to the fatigue of the sense organs involved, to fatigue of the sensory regions in the cortex, or due to change in the blood supply to the cortex. In advertising, the factor that attention constantly fluctuates is important, because we must not only attract the attention but hold it, as will be discussed in the following chapter.

Professor Starch has conducted several tests designed to show the actual value of attention-gaining devices in relation to the rest of the copy. He states that the attention value and the headline are each nearly twice as important as the text of an advertisement.[1] The range of attention

[1]Starch, Daniel. *Principles of Advertising*, p. 318. A. W. Shaw Company, Chicago, 1923.

is so limited that we must gain it entirely, if we are to present an appeal effectively.

THE LAWS OF ATTENTION

Because of the many idiosyncrasies of the process we call attention, it may be well to state several of the laws applying to the subject, so that we may bear them in mind as we discuss the problem further. It has been observed that:[1]

1. The range of attention is extremely limited. We can attend to only a few objects at a time.

2. Attention follows interest. We cannot attend to something which has no interest for us.

3. Attention is caused by

(*a*) Increased relative intensity of the stimulus

(*b*) Intrinsic interest of the stimulus

(*c*) Accommodation of the sense organs to be used, so that the incoming impression may be received to the best advantage

(*d*) Preperception—that is to say, anticipatory preparation, from within, of the ideation centers to be employed when the stimulus arrives

4. The process attended to becomes clearer and more distinct than others.

5. The process attended to becomes more intense than surrounding processes. If we pay attention to the tick of a watch, we are aware of the noise it makes, but, after we have become accustomed to the presence of the watch, and something else has attracted our attention, we do not hear it.

6. The process attended to becomes increased in duration. If we pay attention to the passage of time, for instance, minutes seem longer than when we are thinking of other things.

7. The process attended to rises more quickly into consciousness than do other processes entertained simultaneously. If a sound and a flash of light occur at the same time, and we are expecting one, but not the other, the one on which attention is focused will be noticed first.

[1]The order in which these principles are taken up is suggested by Hollingworth, Harry L., *Advertising and Selling*, p. 49. D. Appleton and Company, New York, 1920.

8. Attention is the basis of every will-act, and the only basis. We cannot have volitional action unless we have attended. *Every idea, if it is the exclusive object of attention, tends to realize itself in action.*

9. Attention fluctuates. We cannot steadily attend to one thing; either our consciousness is centered on first one thing and then another, or its intensity varies.

These laws have been presented so that they may be borne in mind in the discussion to come. It would be well to review them thoroughly, as they form the basis of any investigation of means of attracting attention and holding it.

A. Objective Methods

As we have pointed out above, we shall divide the means by which attention is attracted into two classes, the first of which is the *objective* method—we pay attention to situations because of their consequences—and the second, the *subjective* method—we pay attention because of our intrinsic interest in the situation or object.

The chief element in all of the objective means is that the object attended to, which is usually the copy, is exceptional in some way. For our purposes, it will be sufficient to discuss the principal methods of attracting attention. Some of the lesser means are so closely allied to subjects which we have studied previously, and to those which we shall take up later, that they are not included here.

SIZE

The *size* of an advertisement is an important factor in attracting attention. Ordinarily, a large piece of copy is more easily seen than a small one. This does not mean, however, that increase of attention value is in strict proportion to the increase in amount of space used. It is safe to say, judging from the many experiments which have been made on the subject, that the increase in attention value is approximately the increase of the square root of the space.

That is, a half-page advertisement is only twice as valuable as an eighth-page; not four times, as one might suspect. On the other hand, it is at times found more profitable to use larger space less often than to use smaller space more frequently. Starch says that he believes a quarter-page advertisement once a week would not be as effective as a half-page every two weeks.[1]

In spite of the "square-root law," which we must recognize, there are several reasons why large space is effective. In the first place, large space impresses one by its sheer magnitude. Secondly, large space cuts out competition from other advertisements. In the third place, large space gives more opportunity to state one's proposition fully and clearly. The fourth advantage of large space is that it creates an impression of the importance of the firm which is advertising. Figure 11, on the opposite page, attracts attention because of its size.

Too large space, however, has its disadvantages. If the letters in a sign are so large that the observer has to spell out words, instead of taking in a whole word at a glance, the effect is not so good. The very magnitude of a thing may render it incomprehensible to a close observer.

FREQUENCY

The *frequency* with which space is used may be said to constitute one of the important objective methods of gaining attention. The problems of size and frequency are so closely allied that they must be considered together. It is usually a question of small space run often, or large space used less frequently. There is no doubt that repetition helps to make impressions deeper; neither is there any doubt that large space is very effective. The solution of the problem lies largely with the type of commodity advertised. Automobiles, for instance, require large space if

[1]Starch, Daniel. *Principles of Advertising*, p. 578. A. W. Shaw Company, Chicago, 1923.

DuPont makes powder—not shells. DuPont Powders are loaded in every brand of shell. The name "DU PONT" or "BALLISTITE", printed on the carton and the top shot wad, tells you what powder you are shooting. Specify the powder when you buy the shell.

E. I. DU PONT DE NEMOURS & CO., INC.
WILMINGTON, DELAWARE

Know and specify the powder you shoot—the best powder makes the best load—the best load gets the most game.

SHOOT DU PONT POWDERS

DU PONT

Figure 11: An advertisement which attracts attention by an application of the objective method of size. (*See page 256.*)

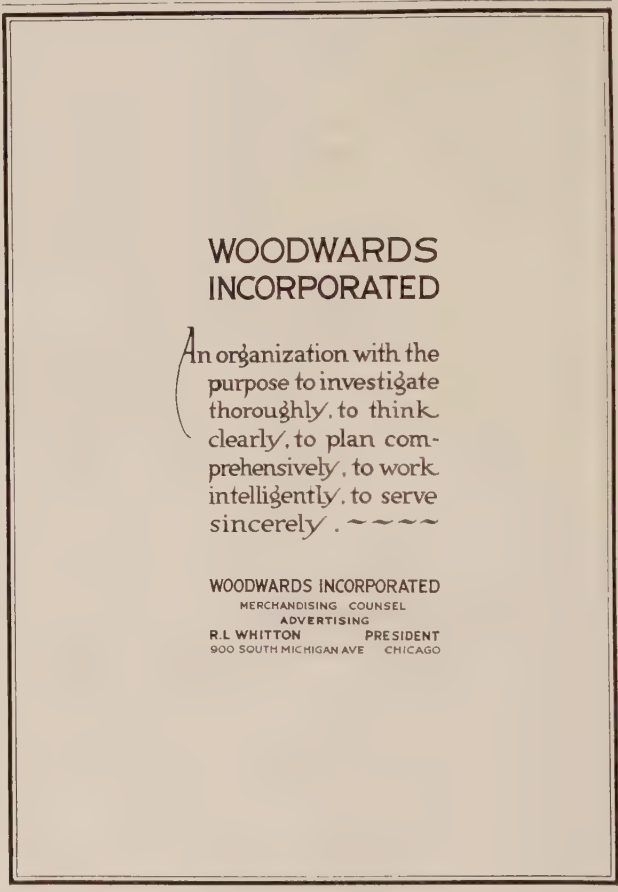

WOODWARDS
INCORPORATED
An organization with the purpose to investigate thoroughly, to think clearly, to plan comprehensively, to work intelligently, to serve sincerely.
WOODWARDS INCORPORATED
MERCHANDISING COUNSEL
ADVERTISING
R.L WHITTON PRESIDENT
900 SOUTH MICHIGAN AVE CHICAGO

Figure 12: An advertisement which attracts attention by the objective method of isolation. (*See page 260.*)

results are expected; safety pins are most economically advertised by the use of small space.

INTENSITY

Some forms of advertising are effective because of their *intensity*. Other things being equal, we attend to the strongest stimulus present. Intensity may be gained in several ways, such as by the use of brilliant electric lights in a sign, or bright colors in a placard. There is an objection to the use of extreme intensity in advertising which must hold attention for any length of time, in order to be effective. Intensity, if it occurs in large degree, forces us to look away in order to rest our eyes, after a short time.

POSITION

The *position* which an advertisement occupies in a medium may be classed among the objective means of attracting attention. We have discussed this problem to some extent in dealing with the various types of mediums. Numerous experiments have been carried out to determine the effectiveness of position. For our purposes, it is sufficient to mention several of the main discoveries, without going greatly into detail.

The position of billboards and other forms of outdoor advertising is largely responsible for the attention they may attract. The most effective place for a billboard is facing a curve in a well-traveled highway. The occupants of vehicles look straight ahead, and see the sign as they approach the bend. Signboards intended to attract the attention of railway passengers are best situated at points where the train slows down, and there is some reason for peering out the window. So far as the position of this type of advertisement is concerned, the most effective situation is the one in which the medium is placed where it is near the center of vision of the greatest number of observers.

The position as to pages in magazines has been discussed in Chapter XIII on page 218. In addition to the question of the proper page, we must also take into account the various positions on the page itself. It seems to be generally agreed—as a result of experiments—that the upper part of the page is the most valuable, the greatest effect being obtained about one-fourth of the way down. The outside of the page—the extreme left of left-hand pages and the right of right-hand pages—is usually more desirable than the inner portion.

Frequently, as shown in Figure 12, on page 258, an advertisement attracts attention by its *isolation* from other copy. As the amount of white space around an advertisement is increased, the attention value of the printed matter is also increased. There is a limit to the efficiency of the isolation method, of course. It has been found that white margin, one-tenth as wide as the copy it surrounds, is usually the most effective. The isolation of the advertisement is useless, however, if the copy itself does not contain anything of special attention or interest value. Putting a thing by itself merely allows the intrinsic interest it already possesses to work with less competition than it might otherwise have.

MOTION

Motion is probably the most important objective method of attracting attention. We are interested in movement largely for two reasons. In the first place, we become adapted to static, and so we quickly notice anything which is moving. The electric sign which flashes and moves attracts attention more forcibly than the one which burns steadily. It is said that we are also interested in motion because of its consequences; we know that action is going to either cease or continue; if it continues, we wonder what its outcome will be.

We must not confuse motion itself with suggested activity, such as is portrayed in pictures. The latter is a

valuable attention agent, which must be classed among the subjective methods. This will be taken up later.

CONTRAST

Often advertisements attract attention because of the *contrast* in the elements composing them. Sensation has been defined as the consciousness of change; it follows that any great or striking difference in the size, intensity, color, or character of the stimulus produces an unusually vivid consciousness. Contrast must not be confused with *novelty*, which is distinctly a subjective device.

Color provides one of the main channels for the use of contrast. Black type on white background is the usual type of contrast employed. Figure 13, on page 262, a layout for an advertisement of Paris garters, illustrates one effective method of handling black and white for contrast. Blue and yellow contrast effectively, as do also red and green. Another means of producing contrast is by the use of figures of varying size.

The importance of each of these objective means varies with the problem at hand. None of them can accomplish anything worth while without a subjective incentive.

B. Subjective Methods

Subjective methods of attracting attention, on the contrary, are interesting in themselves. We all are intrinsically interested in other human beings, in mass motion such as one finds in a street parade, in the outcome of a race, or a fine bit of music. We not only pay attention to subjective incentives, but they hold our attention for some time.

ILLUSTRATIONS

Pictures and illustrations may be said to embody the most important of the subjective incentives to attention.

Figure 13: A layout for an advertisement in which the principle of contrast is used as an objective method of attracting attention. (Developed by Ira Ogilvie in the author's course in Experimental Psychology applied to advertising.) (*See page 261.*)

Illustrations, maps, diagrams, charts—all of these have a definite interest value. They break the monotony of printed pages, and offer something new on which the attention may rest. Pictures may suggest action, in contrast to the static of surrounding material, even though there is no actual motion. The most effective illustrations are those which show people doing something, especially if the action is relevant to the article advertised. If human figures appear in illustrations, they should possess personality, so that some meaning is suggested by the picture. Readers are not interested in mere lines and colors which signify nothing. Pictures of men and women must portray either personality or action, preferably both, if they are to attract attention efficiently.

Among readers in general, one finds two rather distinct classes of people, those who are imaginative, and those who are unimaginative. Many highly intelligent people require pictures to enable them to comprehend advertising fully. Others possess such vivid powers of visualization and imagery that they have little difficulty in gaining complete ideas from printed matter alone. The ideal copy, if it is to reach everyone, should contain both cuts and printed matter.

Illustration has other important functions, beside that of attracting attention, which must be taken into account in preparing copy. Good pictures make advertising easier to comprehend; they supplement printed matter and convey ideas which it would be difficult to explain otherwise. Pictures may also be used to make advertising more artistic, pleasing, and attractive to the eye. If the article itself is portrayed, readers may be made familiar with its appearance or construction, as the advertiser wishes. Often it is found effective to show a commodity in use, so that an impression is given of the practicality of the article, and the manner in which it operates. It is also possible to emphasize particular qualities and selling points by means of pictures.

One does not have to be an artist in order to judge the effectiveness of an illustration. For general purposes, it is sufficient to see that it satisfies the three simple standards: (1) of securing attention, (2) illustrating the commodity (is relevant), and (3) pleases.

SUGGESTED ACTIVITY

Suggested activity, which has been mentioned as one of the subjective means of attracting attention, must not be confused with the objective incentive, *motion*. Motion itself is entirely different from the mere suggestion of activity given by a picture. The principle which attracts attention to the drawing of a man poised to throw a ball is obviously not the same one which causes us to follow the movement of an electric sign.

In this connection it is well to mention what is sometimes called *the principle of the resting point*. The essence of this is that suggested activity is shown more effectively when the person portrayed is either poised for action, or has just finished it. (See Figure 14, on page 265.) These are the positions which the eye catches most clearly. The positions held while one is going through the more rapid parts of a motion are not so clearly evident to the observer as are the attitudes assumed at the beginning, and the end, of an action. Hollingworth asks us to consider the case of a leaping panther.[1] When one visualizes a leaping panther, one probably does not seem to see it actually in mid-air, but rather crouched at the beginning of the spring, or else at the moment it alights.

In the case of mechanical objects which have no resting point, suggested activity must be portrayed in a different manner. We may be made to realize that an automobile is moving, for instance, by the fact that the spokes of the wheels are blurred, and that dust is rising behind the car.

[1]Hollingworth, Harry L. *Advertising and Selling*, p. 118. D. Appleton and Company, New York, 1920.

Second-Wind and Stamina

brings runners and cleaners to the front

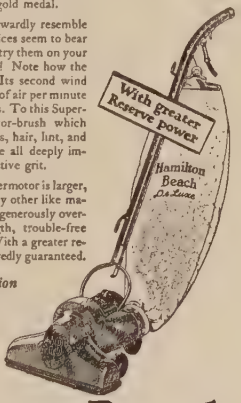
A patter of flying feet . . . the blur of legs races on and on . . . panting chests and pulling muscles . . . the gap between men widens . . . a last teeth-clenched push . . . and number 4 breaks the tape.

* * *

MANY men run, but few are victors. All look much alike in their track suits, but in the race some unseen determination, some hidden ability that quickens second wind, earns the ribboned gold medal.

Vacuum cleaners, too, outwardly resemble each other. Even their prices seem to bear out the similarity. But just try them on your own fine rugs and carpets! Note how the Hamilton Beach excels. Its second wind is a gale of 219 cubic feet of air per minute to which all dirt surrenders. To this Super-suction it adds the Motor-brush which sweeps up clinging threads, hair, lint, and fuzz—while shaking loose all deeply imbedded particles of destructive grit.

Its full one-sixth horsepower motor is larger, we believe, than that in any other like machine. All other parts are generously oversize. That proves strength, trouble-free operation, and long life. With a greater reserve power that is unreservedly guaranteed.



FREE *Self-demonstration*

We will gladly arrange to lend you an advance 1925 model for a FREE Self-Demonstration. Write for it, and folder which tells how Super-suction added to the Motor-brush multiplies cleaning power.

Hamilton Beach

Vacuum Sweeper

To Dealers: Just a line on your letterhead will bring you a sample cleaner for unhurried examination. Also selling facts, figures and our interesting selling plan. No obligation. Write today.

HAMILTON BEACH MFG. CO., *Racine, Wisconsin*

Figure 14: An advertisement which attracts attention by the use of the subjective factor of action.
(*See page 264.*)

There may also be streamers fluttering from the auto. The important thing is to show only those aspects which the eye really sees when the object itself is in motion, and nothing more.

COLOR

The colors used in an advertisement have a great deal to do with its attention value. Starch[1] tells of numerous tests which have been made to determine the "pulling power" of color. He mentions particularly a mail-order house which sends out several million catalogs annually. In a recent issue, the firm printed one page in color in half the catalogs, and in the other half made it black-and-white. The returns from the catalogs in which the page was colored were reported as 15 times greater than those from the black-and-white page.

It is generally recognized that color, properly utilized, is more effective than black-and-white. It must not be supposed, however, that all advertising would be stronger in attention value if it were printed in color. After a certain limit reached, color gradually loses its effectiveness. When there is nothing but color, the contrast between color and black-and-white is lost. Starch tells us that a publication can probably not carry over 15% to 20% of its space in color without reducing considerably the effect of contrast.[2]

The consensus of opinion of numerous investigators in the field of color is that red is the most powerful in attention value. Tabulations of the dominant colors in numerous magazine advertisements show that more than 75% of them employ red as the principal color, with brown, blue, orange, green, yellow, and purple following in the order named. It is also generally conceded that red is the favorite color of the majority of women, men being more partial to blue. We cannot say, however, that these are definite facts;

[1]Starch, Daniel. *Principles of Advertising*, p. 581. A. W. Shaw Company, Chicago, 1923.

[2]*Ibid.*, p. 587.

further experiment is required to prove them beyond doubt.

Color also aids in making pictures more natural and realistic than they would be without the use of pigments. Not only is it possible to make the illustration show the actual hue of an object, but distance and perspective may be portrayed, in addition. Brightness, for instance, indicates nearness, while dullness suggests distance. Warm, red hues seem closer to us than blues.[1]

NOVELTY AND THE COMIC ELEMENT

Novelty is one of the strong subjective means of attracting attention. This may occur in illustrations, wording, or arrangement of copy, or in the type of medium employed. Anything which is new attracts attention, because we are not adapted to it. Novelty is not of great value, if it is merely an attention device producing no intrinsic interest in the commodity which is to be marketed. The danger is in emphasizing the novelty, rather than the product advertised.

The *comic element* in an advertisement may serve to attract attention, as will be seen from the advertisement in Figure 15, on page 268. We are probably safe in saying that all normal individuals are interested in things which are funny. Just what is funny, of course, is a matter of individual opinion. This means of gaining attention is seldom utilized, however, because of the dangers involved. The comic, for instance, draws too much attention to itself, without creating actual interest in the article advertised. It is at most an attention device and not an interest incentive, unless the commodity advertised happens to be something funny. It is quite effective to use the comic element in calling attention to a humorous publication, for example, because the two are relevant.

[1]For a discussion of the psychological factors involved, the reader is referred to Hollingworth, Harry L., *Advertising and Selling*, pp. 104-105. D. Appleton and Company, New York, 1920.

next winter's tale:
Avoid a Tragedy by Using a WINTERFRONT
1st MOTORIST bluntly
Say—er! Don't you dread the cold weather! If I did, as I need it every day, I'd rather leave my car than go through the winter worries—engine trouble, slimsy covers, frozen radiator
2nd MOTORIST with assurance
I've been through that worry mill, but those days are gone forever. This winter will find me as carefree as I was last, riding day in and day out
1st MOTORIST doubtingly
How do you do it?
2nd MOTORIST freely
I'm rid of all those out-of-date trouble breeders. Twelve months ago I put a WINTERFRONT on my car and I've been sitting pretty since.
1st MOTORIST with mild interest
New fangled device?
2nd MOTORIST enthusiastically
Greatest addition to car comfort since the self-starter
1st MOTORIST with growing interest
What's it like?
2nd MOTORIST briefly
It's a handsome looking steel shutter made to fit perfectly over the radiator of any car. Looks fine and is so easily attached that the slip of instructions is just a formality. A thermostatic device controls the shutter and keeps the heat in or less it out automatically
1st MOTORIST
Then what do I do?
2nd MOTORIST
You enjoy yourself. You sit back and let Jack Frost rave
1st MOTORIST
Say, you've about sold me. Suppose I can get it at my dealer's?
An entertaining motor car dealer in your vicinity can show you how the WINTERFRONT overcomes cold weather motor troubles. To locate him quickly write us and we will direct you on the road to perfect motor comfort and no worry
Write for descriptive literature to the
PINES MANUFACTURING COMPANY
408-10 N. Sacramento Blvd., Chicago
WINTERFRONT
AUTOMATIC RADIATOR SHUTTER

Figure 15: Here the comic element is used as a subjective method to attract attention. (*See page 267.*)

In ordinary advertising, however, too much humor may seem to be a means of getting around serious arguments, and so destroy the effect of an otherwise good piece of publicity. Even though the humor is not a substitute for sound reasoning, it may detract interest from the selling points intended to be emphasized. The comic soon loses its attention value. After we have once heard a clever play on words, it has lost its interest for us.

ARRANGEMENT

The manner in which the elements of a piece of copy are arranged may have a great deal to do with its attention value. By this we do not mean simply the novelty of arrangement, but the make-up of the advertisement in general. The shape of the copy, the border, lines, perspective, direction—all of these are important. For instance, if a headline contains too many words, its significance will not readily be grasped.

Headlines are particularly important from the standpoint of attracting attention. Often they are the chief means of getting the reader's interest. A good headline must be of the proper size to attract the eye, but not too large, to be easily comprehended. It must also have *meaning*,

if it is to hold interest at all. This meaning must be expressed in very few words. One of the laws of attention quoted at the beginning of this discussion was that the range of attention is extremely limited. The best results are obtained where not more than five words are used in a headline. More words may be used effectively, if they are divided into groups, so that each group is taken as a separate unit.

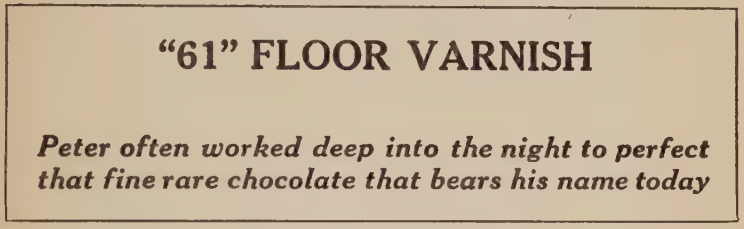


Figure 16: Typical examples from the *Saturday Evening Post* showing the difference in quickness and ease with which a long and short heading may be grasped.

Recently considerable discussion has arisen as to the arrangement of headlines according to phrases and groups of words which have unit meanings. Some students of advertising contend that each line should have a meaning by itself. For instance, they would break the following headlines in this manner:

For Security
see an Insurance Agent

Power Plant Engineering
and Efficient Piping Go Hand-in-Hand

Others hold that, in order to get the reader to follow the entire heading and receive the full meaning, it is necessary to break the headline so that no line will make sense by itself. This would involve some such arrangements as those on the following page.

For Security see an
Insurance Agent

Power Plant Engineering and Efficient
Piping Go Hand-in-Hand

Several experiments, directed by the author and performed in the Northwestern University laboratory, show a very slight advantage in favor of the first type of headline illustrated, so far as memory value is concerned. Typical headlines were selected from the *Saturday Evening Post*—an equal number of each style—and given to a considerable number of subjects for observation. The headlines were then returned, and the subjects asked to write down the ones they remembered. A somewhat larger percentage of the class in which phrase meanings were unbroken was remembered by the subjects. There were, of course, numerous conditions bearing on the experiment which make it impossible to use these results as conclusive and general. They are, however, in accordance with the trend of opinion on the subject.

The headline should be placed where it is most easily seen and where it will most directly lead to further reading. As we learned some time ago, the portion of a page most readily noticed is the lower section of the top quarter. A headline in this position is also favorably situated from the standpoint of its leading the attention of the observer to the copy following it.

OBJECTIVE VERSUS SUBJECTIVE METHODS

Hollingworth reports an experiment to determine the relative effectiveness of objective and subjective means of attracting attention.[1] He asked 9 persons, 6 advertising

[1]Hollingworth, Harry L. *Advertising and Selling*, p. 127 ff. D. Appleton and Company, New York, 1920.

men and 3 psychologists, to analyze the attention incentives contained in 77 full-page advertisements in a given issue of *Everybody's Magazine*. Strong had used the same group of advertisements in an experiment, in which 137 women were instructed to read the magazine and were afterward tested to see which advertisements they remembered. The results of this experiment tend to show that subjective factors are considerably more effective than objective elements in attracting attention. In the 10 advertisements most frequently recognized by the 137 women, according to the survey made by the 9 experts, the average number of subjective incentives was 15, as against 4.1 objective methods. For the 10 least remembered, the average for subjective was 5.7, and for objective, 5.4. That is to say, the subjective and objective incentives were almost equally common in the 10 advertisements least remembered, but the subjective methods were approximately three times as common as were the objective means in the 10 best remembered.

While this experiment involves *memory* as much as it does attention value, it nevertheless expresses the general trend of opinion, namely, that subjective means of attracting attention are for the most part more effective than objective methods.

SUMMARY

The main idea involved in the second problem of advertising is this: the advertiser must have a thorough knowledge of his commodity so that he knows, from his study of the "nature of man," how it will satisfy the needs and fundamental desires of the consumer. Thus equipped, he selects the appeals which will be most effective.

The third problem, attracting attention, calls for a knowledge of the laws of attention. It would be well for the reader to review them, and keep them constantly in mind, because of their significance in the discussion to follow.

We learned that there are two classes of attention devices, objective and subjective. Each of these methods was discussed under its own heading. Subjective methods, on the average, were judged to be the most effective.

In the next chapter we shall see how attention is held by the use of some of the devices mentioned here, and by other means with which we shall become familiar.

Problems

IV—1, 6, 12, 16, 24, 36, 38, 41, 55, 56, 62, 67, 69.

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XVI

HOLDING ATTENTION AND SECURING INTEREST

Importance of holding attention. Fluctuation of attention. Objective and subjective methods. Rules for securing interest. Feeling tone: (1) Form or arrangement. (2) Content: color; word imagery; habit; strain and relaxation; size and style of type; length of line; background; peculiarities of type. Summary.

As we have intimated previously, it is of little value to attract attention, if we do not hold it. We must focus attention on a need or desire, and follow this with the satisfaction offered by the commodity advertised, if we are to utilize the advantage we have gained in attracting attention.

The problem of holding attention involves many of the principles we have so recently studied under the head of "attracting attention," especially the factors of the fluctuation of attention. Practically all the subjective methods of *attracting* attention may be used in *holding* it, providing the copy is sufficiently complex. One of the laws given earlier in our discussion is that attention fluctuates.[1] There should be several attention devices in an advertisement, so that when the focus on one point fluctuates, it passes to some other element of the same proposition. In order to interest, or to hold attention, an object must possess a number of new elements, but these must form a unity.

FLUCTUATION OF ATTENTION

One may sit for hours watching an open wood fire without finding difficulty in paying attention to it. The fire is con-

[1]It would be well here to review again the laws of attention given on pages 254 and 255, and to keep them in mind in connection with the present discussion.

stantly changing in shape, brightness, color, and other aspects. Blazing logs in a good fireplace embody many of the best attention devices. Any one of these taken alone would merely serve to attract attention, and would soon lose its force, but taken together in unity they serve to hold interest effectively. The same is true of the ocean, or any large body of water—the waves are constantly moving; attention goes from one element to another, but always remains on the ocean itself, which combines all these aspects. This principle is well illustrated in Figure 17, on the opposite page. The complexity of the advertisement tends to hold the reader's attention longer.

Starch[1] made numerous tests with a set of 20 advertisements, to determine the relative importance of attention devices and text matter. The results of the experiment were determined from actual returns reported by advertisers. One of the main deductions was that attention value and headline copy are, on the average, nearly twice as important as the text itself, as previously mentioned on page 253. Thus, a tremendous responsibility rests on the attention devices of an advertisement, and great care should be used in their selection.

METHODS

In observing the methods of *holding* attention, we find that they are divided into two classes, objective and subjective, just as were the means of *attracting* attention. In fact, most of these latter factors are practically the same as the former, though some objective methods of attracting attention cannot be effectively utilized to secure interest.

The effect produced by borders has been mentioned from the standpoint of attracting attention. It is now evident that borders constitute one of the powerful objective means of *holding* attention, as well. Starch gives an interesting example of a piece of copy whose effectiveness, judging from

[1]Starch, Daniel. *Principles of Advertising*, pp. 316-317. A. W. Shaw Company, Chicago, 1923.

Wear Duofold and You'll be Comfortable

Keep Warm in this Light Weight Two-Layer Fabric

Neither the chill dampness of fall nights nor the piercing blasts of winter winds will hold any fears for you if you wear Duofold Health Underwear. Nor will you mind the warmth of mild days or overheated rooms, because Duofold is *not* a heavy underwear

It is the scientific principle of Duofold fabric that provides the remarkable protection against cold and dampness without the need of excessive weight and thickness in the garment.

Two *THIN* layers of knitted fabric held together by a thread every half inch, *with an air space between*, are more effective than a single layer much thicker. Cold and damp air stay *out*. Your health is afforded *better protection*.

If you prefer cotton underwear you can get Duofold in garments made entirely of cotton or mercerized fabric. If you desire the added protection of wool you can get Duofold with the *outer* layer made with wool and the *inner* layer made with soft cotton. *The wool does not touch the skin.*

You owe it to yourself to enjoy the Comfort and Health Protection you get in wearing Duofold.

Sold by men's furnishing, dry goods and department stores practically everywhere.

DUOFOLD HEALTH UNDERWEAR CO., Mohawk, N. Y.
HENDERSON & ERVIN, *Sales Agents*, 331 Fourth Avenue, New York City
Chicago, 214 S. Wells Street Atlanta 401 Silvey Building Boston: 52 Chauncy Street

To Mothers: *A worth-while, illustrated Booklet, "Better Health for Infants and Children," will be sent free upon request. Write for it.*

Duofold

Health Underwear for Men, Women, Children and Infants

Figure 17: Attention in this advertisement is held by the complexity of the illustration and is led from one element to another. (*See page 274.*)

Look for this design on the corner of your checks

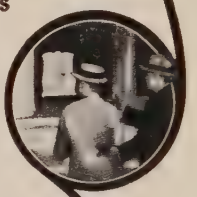
This little design bearing the words "Super-Safety Insured Bank Checks" on the upper right corner of your checks means that your banker provides you with checks that are covered by $1000.00 of insurance against loss through fraudulent alteration.

It means that you don't have to trust to ingenuity for protection, but can write your checks with pen and ink or typewriter with positive assurance that you are protected from check raisers.

These checks are "The Safest Checks in the World." Insurance makes them so. This is the only positive protection you can get for a check, just as the only positive protection against any other loss, such as fire, theft, hold-up, tornado or flood, is insurance.

Banks displaying the door and grill signs pictured in the circle are banks that will gladly accommodate you with this added protection. There are thousands of them in the United States. Look for them in your city.

Ask your banker for these checks today and get your free $1000.00 certificate of insurance protecting you from loss through fraudulent alteration. If you cannot find a banker in your locality who can supply you with these checks, write us for the name of one who will gladly accommodate you.



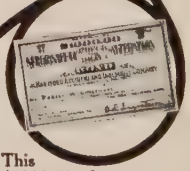
On bank doors

This transparent window in black, yellow and gold on your bank's door is evidence of this added protection.

On the "cage"

Alongside the teller's window in banks that use this protection you will find this aluminum hanger.

Ask Your Banker



SUPER-SAFETY **Insured** BANK-CHECKS

This $1000.00 of insurance is issued without charge to all depositors of banks furnishing these insured checks. Ask your banker for one today.

The Bankers Supply Company

The Largest Manufacturers of Bank Checks in the World

NEW YORK ATLANTA CHICAGO DES MOINES DENVER SAN FRANCISCO

Figure 18: A very good use of arrows—they attract and hold attention and give unity to the advertisement.

(*See page 277.*)

actual replies, has been trebled by simply changing the border around it. In conclusion he says:

> In giving the advertisement power to attract the reader's eye as the line of vision enters a page, there are various methods of achievement. It can be done with extraordinarily large black bars at the top and bottom; with a heavy black border; with a circle; a curve; anything that will intercept the left-to-right path of vision and carry it to the desired point in the advertisement.[1]

Borders may be said to have four principal functions:

1. They attract attention in themselves by arresting eye-movement;
2. They give unity to copy—a border implies that the material within it is a unit, complete in itself and separate from other material;
3. They separate small advertisements on the same page, so that there is no overlapping;
4. They are decorative, and add to the artistic appearance of copy.

In accordance with the general principles of attention, borders should be secondary in interest and not simply attract the eye to themselves. They should rather serve to bring attention to the elements in advertisements which are more productive of results. Borders should redirect the eye to the important material in the copy. In this connection, arrows and such devices often assist the border to guide attention properly. Figures 18 and 19, on pages 276 and 279, illustrate good and bad uses of arrows as an aid in guiding attention.

RULES FOR SECURING INTEREST

As we have already noted above, interest is an important factor in attention. Attention is selective most of the time,

[1]Starch, Daniel. *Principles of Advertising*, p. 609. A. W. Shaw Company, Chicago, 1923.

and interest is its guiding factor. Interest is not only a factor in selection but in holding when once it is selected. Kitson, following the thought of William James, suggests several methods of getting interest.[1] He states two laws which are of importance to the advertiser. The first is: *In order to create interest in a thing, give information about it.* We might modify this rule by making it: *In order to create interest in a thing, give* interesting *information about it.* "Interesting," of course, means interesting to a specific type of consumer; the line of interest changes with variation in the type of consumer. It is not true that any kind of information is equally interesting to all people; therefore, simply to give information about an object is no guaranty that it will create interest. The most important classes of facts may be said to be: (1) sources of raw materials, (2) processes of manufacture, (3) facts about the men who compose the firm, (4) uses for the commodity—for instance, Figure 20, on page 280. The last-mentioned class is probably the most frequently utilized of the four.

Kitson gives[2] as a corollary to this first law: *State the new in terms of the old.* People can conceive of things only in terms with which they are familiar. It does no good to tell the uncivilized man in the tropics that something is "as white as snow," because the probability is that he has never seen snow. In advertising a new substitute for leather, for instance, one must employ the concepts of leather and similar materials which people already possess.

The second law given by Kitson[3] is: *In order to create interest in a thing, arouse activity toward it.* This can be done by the use of coupons, requests for names of friends and dealers, offers of prizes for the solution of puzzles, or the composition of names or verses, and similar devices.

[1] Kitson, Harry Dexter. *The Mind of the Buyer,* p. 78 ff. The Macmillan Company, New York, 1921.

[2] *Ibid.,* p. 80. [3] *Ibid.,* p. 85.

The New Member of the O-Cedar Family
THIS new form of O-Cedar—O-Cedar Wax—is for those who prefer a furniture and floor polish in wax form rather than a liquid. It is for those who demand in a wax all the superior qualities O-Cedar Polish has in liquid form. Try O-Cedar Wax. Put it to every test. Judge and compare it with others. Please pay particular attention to these
7 Points of Superiority
1
Freedom from excess grease. This means no soiling of clothes from furniture polished with O-Cedar Wax.
2
Freedom from grit. This means no scratching of furniture, woodwork, floors or automobile bodies when using O-Cedar Wax.
3
Freedom from objectionable odors. O-Cedar Wax has the clean, pleasing and appealing odor of O-Cedar Polish.
4
Lower in price. O-Cedar Wax is lower in price than other fine waxes.
8 ounce Tins.....50c
1 pound Tins.....75c
2 pound Tins.....$1.25
4 pound Tins.....$2.50
5
Easier to use. O-Cedar Wax requires far less rubbing to produce the desired high, dry and lasting lustre.
6
A more convenient container. The wide opening permits a more even distribution of the wax on the cloth.
7
Fully guaranteed. O-Cedar Wax is absolutely guaranteed to give perfect satisfaction. Your money refunded if you are not delighted with the O-Cedar result.
O-Cedar WAX
O-Cedar WAX
For All Furniture Floors Woodwork
O-Cedar WAX
50¢ to $2.50 Sizes at All Dealers
Made by the Makers of O-Cedar Polish and O-Cedar Mops
CHANNELL CHEMICAL COMPANY Chicago - Toronto - London - Paris - Cape Town

Figure 19: A very bad use of arrows—the advertisement is hard to read because of poor arrangement. (*See page 277.*)

King Richard at the siege of Acre, 1191 A. D. The two-year siege had cost the lives of 200,000 Crusaders when Lion-Heart came to the rescue

The Value of Time

By Krónos

Paintings by HAROLD DELAY

RICHARD THE LION-HEARTED — "mightiest warrior and hardest working Crusader in all Christendom" — knew the Value of Time.

For two long years the city of Acre, near Jerusalem, had defied the besieging Crusaders — yet its walls trembled when Richard anchored off the Syrian shore. Lion-Heart's great hour had come at last. So clear was his vision of Time as his ally that he arose from a sickbed, was carried to the trenches on a litter, and with his own sword hewed the fortress from the infidel's grip.

To this day, in the land of the Saracen, the name of Richard is a word to conjure with. And today, as it was seven centuries ago, life is a battle which no man can win without Father Time as his ally.

Over the Time of the Crusaders, the Saracen water clock stood guard. But the modern world, enriched by experience, intrusts life's costliest possession to those marvels of accuracy which human ingenuity and skill now place within the reach of all —

No timepieces yet created by the Elgin designers have met more universal approval or achieved such instant popularity as the four new lines listed below.

New Streamline Series: A line of 12-size Elgins specially designed to meet a wide variety of tastes — $35 to $100. (The model shown below is the $35 Streamline.)

New Classic Series: Two 12-size thin model Elgins with Lord Elgin movement. In White or Green Gold, $150.

New Corsican Series: Three new models in Green and White Gold combinations; Lord Elgin movement, $175.

New Presentation Series: "The last word in the Gift Idea." 6, 8 Hulburd movement, exclusive models, $200 to $500.

The material, construction, adjustments and service of all Elgin Watches are fully covered by the Elgin Guarantee.

Elgin Watches

MADE IN ELGIN U. S. A.

Figure 20: An advertisement in which information is given to produce interest as an aid in holding attention (*See page 278.*)

FEELING TONE[1]

In Part III we have alluded to the pleasant and unpleasant effects produced by certain elements of advertisements. From our study of the consumer we know that it is usually best to produce a feeling of pleasantness, if the greatest results are to be obtained. The feelings as here used are not the same as the conscious quality from any sensation, but rather that complex feeling that comes from an affection together with a sensation. Affection is the result of the fact that we find some events to be pleasant or unpleasant.

An advertisement which produces a feeling of pleasantness will hold the attention much better than if it did not produce any feeling, while an advertisement will be rejected if it produces a feeling of unpleasantness. There are times, of course, when disagreeable suggestions are effective, but these are comparatively rare. It may be a good thing for a life insurance company to impress on a man the poverty which may befall his family, if he does not carry insurance. The man may worry about the future of his family, and take out a policy, in order to avoid the feeling of unpleasantness suggested by the advertisement. The copy is doubly effective, however, if it conveys a final feeling of pleasantness, by showing that, should the man die, his family would be free from financial worry because he had carried insurance.

In spite of the important rôle played by feeling tone in determining the effectiveness of advertising, there is little record of fact concerning the actual elements which cause it. Several significant tests have been made for the purpose of discovering the exact elements, and combinations of elements, which are productive of certain feeling tones,

[1]Readers are referred to Hollingworth, Harry L., *Advertising and Selling*, chaps. ix and x, D. Appleton and Company, New York, 1920, for a more complete discussion of feeling tone. *See also*, the experimental work by Barrows, Lundholm, and Poffenberger in the *Journal of Applied Psychology*, 1924.

but little worth while has been accomplished. Much of the speculative data of the subject is proving of practical value, and there is reason to believe that reliable and scientific knowledge will some day be gained in this particular field. At present, however, we are forced to rely on somewhat indefinite material for our advertising practice, so far as psychology is concerned.

We do know, of course, that feeling tone is dependent, to a great extent, on the artistic arrangement of copy. The psychologist has not yet discovered the principles which determine feeling tone, as well as has the artist. Until more extensive experiments have been made, we shall have to rely largely on the field of art, rather than psychology. In psychology, we are forced to depend, in this case, on empirical judgment rather than accurate scientific knowledge. When it comes to deciding what type of feeling tone will be produced by a certain word, we have to use common sense. We have no definite standard by which we may predict the reactions of the average individual to different words.

With this in mind, let us examine some of the elements which are supposed to determine the nature of feeling tone. Hollingworth[1] points out that feeling tone may depend on two factors, (1) form or arrangement, (2) contents. The first type includes such aspects of copy as balance, symmetry, proportion, clearness, quality of lines, spaces, masses, colors, and harmonies. The second class consists of words, ideas, topics, people, purposes, associations, and similar means of producing agreeable and disagreeable feelings.

1. Form or Arrangement

It is evident, from a mere glance at a piece of copy, that some degree of the feeling it produces in us is dependent on the way it is put together or arranged. The shape of it, the variety of lines it contains, the balance of it, the

[1]Hollingworth, Harry L. *Advertising and Selling*, p. 140. D. Appleton and Company, New York, 1920.

The Gulbransen Makes for Good Times

There's nothing that quite equals the sound of young voices raised in song.

The boys and their friends like to sing with the Gulbransen. Accompaniments are easy to play and the words of their songs come right on the rolls.

In thousands and thousands of homes the Gulbransen is providing fine music, excellently played. It is so designed that every musical value can be brought out; the control you have is perfect —a feature that is distinctly Gulbransen's.

When mothers and fathers realize what a Gulbransen can mean to their homes—what an inspiration it is—what a means of enjoyment—they then appreciate the value of Gulbransen ideals, Gulbransen craftsmanship and Gulbransen policies.

The Gulbransen represents a life-time of study; craftsmanship that is almost a religion, dedicated to the thought of bringing good music to every home, at modest prices.

Play a Gulbransen for just a few minutes and you will sense its ability, its versatility, the years of painstaking progress that have made such a thoroughbred instrument possible.

Gulbransen-Dickinson Company, *Chicago*

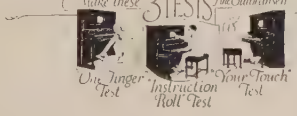
Canadian Distributors:
Musical Merchandise Sales Company
79 Wellington Street West, Toronto

Nationally Priced
Branded in the Back

$700 $600 $495 $398

To Gulbransen Owners The Gulbransen is a fine instru ment don't neglect it Have it tuned at least twice a year

GULBRANSEN
The Player-Piano



"New Book of Gulbransen Music" Free on Request Check Coupon

☐ Check here if you do not own any piano or player-piano.

☐ Check here if you want information about having a Gulbransen player action installed in your present piano for player piano.

Write name and address in margin and mail to Gulbransen-Dickinson Co. 3232 West Chicago Avenue, Chicago

Figure 21: The feeling tone of this advertisement would be improved if the copy and cut were better balanced. (*See page 285.*)

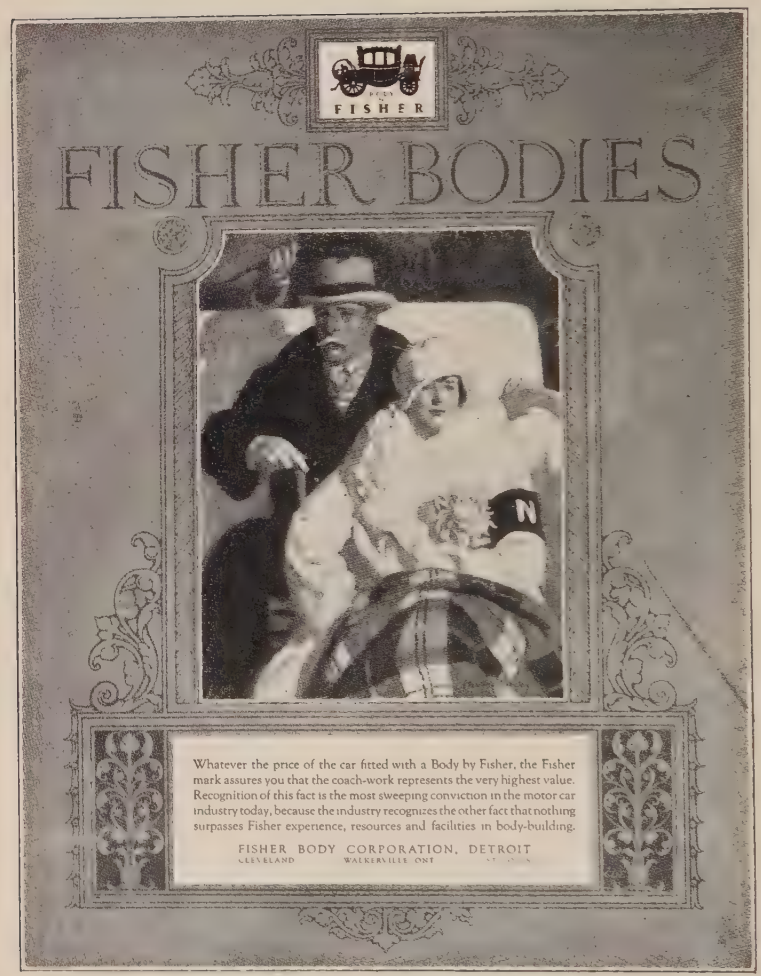

BODY BY FISHER
FISHER BODIES
Whatever the price of the car fitted with a Body by Fisher, the Fisher mark assures you that the coach-work represents the very highest value. Recognition of this fact is the most sweeping conviction in the motor car industry today, because the industry recognizes the other fact that nothing surpasses Fisher experience, resources and facilities in body-building.
FISHER BODY CORPORATION, DETROIT
CLEVELAND WALKERVILLE ONT

Figure 22: The illustration suggests quality which is associated with the product advertised. (*See page 289.*)

harmony of its colors, these and similar attributes make it pleasing or displeasing, as the case may be. The advertisement in Figure 21 is unpleasing because the copy and illustration are not in good balance. Of course, all these elements should be considered with the purpose of producing in the consumer the most pleasant feeling possible.

With regard to lines, Hollingworth[1] says:

> Generally speaking, the following principles hold:
> The fine gray line suggests delicacy of texture.
> The fine black line suggests precision and hardness.
> The broad rough line suggests homeliness and solidity.

The problems of balance, of mass and vista, and the like, are best left to the artist, rather than to the psychologist. If the copy-writer has ideas which are capable of producing feelings of pleasantness, the artist is able to follow consistently with illustrations having the same effect. The ornate border in the advertisement in Figure 23, on the following page, suggests quality.

2. Content

Color is one of the important elements of content, in its bearing on feeling tone, as well as attention value, which we discussed not long ago. We know, for instance, that certain colors are more pleasing than others. Jastrow made inquiry of 4,500 people at the World's Fair in Chicago in 1893, in an effort to discover the most popular colors. The results of his experiment indicate that blue is easily the masculine favorite, and red the best-liked by the women.

Hollingworth, quoting largely from Gordon's *Aesthetics*, makes the following statements about the different colors:[2]

> . . . . Some clue to the emotional effect of a color is gained by a glance at the associations and the symbolism which have grown up around it. Red, the color of the blood, is the symbol

[1] Hollingworth, Harry L. *Advertising and Selling*, p. 143. D. Appleton and Company, New York, 1920.

[2] *Ibid.*, p. 158 ff.

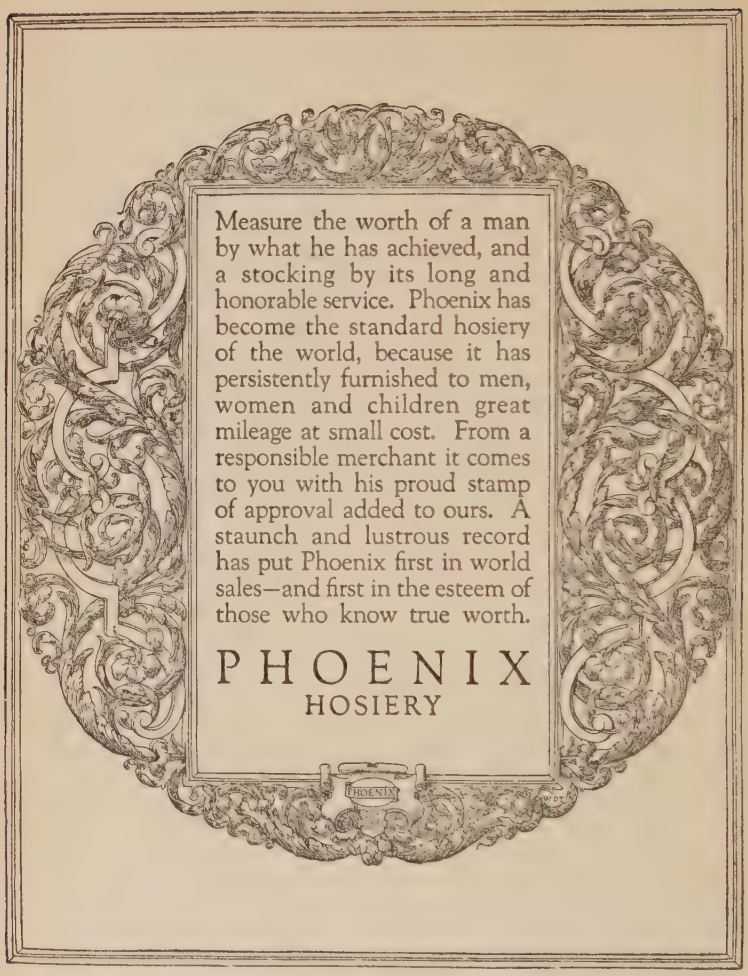

Measure the worth of a man by what he has achieved, and a stocking by its long and honorable service. Phoenix has become the standard hosiery of the world, because it has persistently furnished to men, women and children great mileage at small cost. From a responsible merchant it comes to you with his proud stamp of approval added to ours. A staunch and lustrous record has put Phoenix first in world sales—and first in the esteem of those who know true worth.
PHOENIX
HOSIERY

Figure 23: The rather ornate but dignified border gives to this advertisement a suggestion of quality. (*See page 285.*)

of passion and death . . . . it is also known as one of the "warm" colors.

The yellow of the spectrum is the brightest of all the spectral hues. It is joyous and uplifting; in the Orient a sacred color, a symbol of faith and of the sun. The Christian church, however, made yellow the symbol of dishonor, and in popular symbolism it stands for jealousy and decay. Pale yellow and gold are among the most adaptable colors, in the sense of making pleasant combinations with almost any other color. Both red and yellow are usually spoken of as strong or exciting colors, though the type of excitement is not the same in both.

Green belongs to the cool end of the spectrum, and is less exciting than the reds and yellows.

Blue is generally felt to be cool and calm, and to be suggestive of stillness and depth.

White stimulates a joyful but serene mood. It is the symbolic color of joy and purity. Gray is of all colors the most sober, quiet, and subtle.

Black, by itself, is melancholy and depressing, it is the symbol, among western peoples, of grief and death. It also stands for quiet. In combination with other colors, particularly when it is limited in extent, black makes the impression of great concentration and strength. No other color has more character than black.

The problems of color combination and color balance are of importance in their bearing on feeling tone. Fortunately, the artistic world has contributed some rather definite suggestions in this field, which coincide with the opinions of psychologists. The reader who is desirous of a full knowledge of the subject will do well to refer to the source books on these subjects.

WORD IMAGERY

Imagination and suggestion may also be numbered among the important factors bearing on feeling tone. Certain words or objects, for instance, suggest images which produce feelings of pleasantness, while others operate in the opposite manner. Some words are highly symbolical, while others do not suggest so strongly. Say the word "cross," show a picture of one, or present an actual crucifix to a

member of the Christian faith, and its power of suggestion is enormous. If a word has meaning, it brings associations, and even though it should have no meaning, the form and sound of the word may be agreeable, or disagreeable.

Often pleasing phonetic combinations, which do not possess strong meaning, are useful in producing the feeling of pleasantness. Too much of this, however, is seldom effective. Onomatopœic words which have meaning are usually desirable. In general, it is best to suit the sound of words to their sense, if feelings are to be produced.

The actual feeling tone of words is largely to be learned by literary experience and training, rather than from psychology. The principles which determine the difference between various pairs of words, such as "leg" and "limb," "clothes" and "attire," "hired girl" and "maid," have not as yet been determined by science.

In order to avoid arousing the feeling of unpleasantness, the advertiser must guard against utilizing words which are not in good usage. To be most effective, words should not be obsolete, foreign, or slang, unless they possess meaning that cannot be otherwise conveyed. Colloquialisms and provincialisms should be avoided, in advertising having national distribution, because these may bear connotations differing in feeling tone in various parts of the country.

Much of the desired effect in advertisements is lost because the words employed are not adapted to the persons who read them. Slang expressions, for instance, would be apt to produce the feeling of unpleasantness, if used in a magazine devoted to the interests of society women. Properly chosen foreign words would have just the opposite effect. On the other hand, the Fatima cigaret advertisement headed "What a whale of a difference just a few cents make!" and picturing a young man obviously enjoying his cigaret, though it is slang, is effective, because it is directed to men, who see nothing disagreeable in the copy. Such an advertisement appearing in any of the Latin coun-

tries, where familiar and slang expressions are never used in good publications, would be certain to cause the feeling of unpleasantness in the readers.

Care must be exercised in the use of words having double meaning. An advertisement which gives a wrong impression is almost certain to cause the feeling of unpleasantness at some time or other. Even though the advertiser does not intentionally cause a misunderstanding or deception, he must suffer the consequences of false impressions given readers. People do not like to be fooled; after once being tricked they are not apt to be "repeat customers." Before the advertiser releases copy, he should make sure that his language is simple and clear, so that the reader cannot possibly misconstrue its meaning.

Numerous tests indicate that the meaning of many words commonly used in advertising copy is not clearly understood by a large number of readers. The typical copywriter is more thoroughly educated in the English language than is the average reader. He has a tendency, therefore, to use words which are common to him, but not to the people his message reaches. The general procedure in these tests, which have been evolved independently by students of advertising, psychology, and English, is to present the subject with a list of sentences each having one word italicized. Following each sentence is a group of words, one of which is a synonym of the word italicized in the sentence. The subject is asked to underline the word which is the synonym of the word italicized in the sentence. The results of these tests indicate that great care must be used in the selection of words employed in copy of general circulation, so that it will cause no misunderstanding among those it is intended to reach.

SUGGESTION AND IMAGINATION

The subject and content of illustrations have much to do with the production of feeling tone, because of the

various types of suggestions they convey. An example of an advertisement in which the illustration suggests quality is given in Figure 22, on page 284. Hollingworth[1] mentions the fact that it is not good to portray the act of rejection of a substitute or competing product, because the idea of rejection may become associated, in that way, with the article advertised. Let us suppose that a life insurance company were to run an advertisement suggesting that the reader refuse all policies except its own. The idea of rejection might be so strong, or so closely associated with life insurance, that the whole purpose of the firm would be defeated.

The mention of substitutes is often dangerous, because the suggestion may prove positive where negation is desired. The reader may be more familiar with a certain substitute than with the commodity advertised, and so be guided by precisely the suggestions that should be avoided.

One can easily imagine the feeling of unpleasantness which would be produced by the name "Poison Ivy" applied to a face cream, or the advertisement of "Angleworm Chewing Gum." Yet we see just such combinations of ideas advertised daily, not always so startling as the ones mentioned, but nevertheless founded on the same principle. The association of frogs and beer, fish and medicine, cattle and tobacco, for instance, are contained in avertisements familiar to many. Much of the constructive effect of such copy is lost, because of the disagreeable feeling produced by the peculiar associations.

Besides keeping unpleasant associations out of advertisements, it is also important to make sure that no disagreeable suggestion is caused by the relative position of copy. Much of the feeling of pleasantness, which might otherwise be produced by a confectionery advertisement, would be lost if the copy were to be placed beside a vivid piece of publicity for a rodent exterminator, for instance.

[1]Hollingworth, Harry L. *Advertising and Selling*, p. 174. D. Appleton and Company, New York, 1920.

In the same manner, a feeling of pleasantness may result from association of the type just mentioned. An advertisement appearing in a magazine noted for its beauty and good taste, benefits from the background furnished by the publication. Often, it is profitable to use a name which already enjoys the prestige sufficient, by itself, to produce agreeable feeling. In the town where the author makes his home, for instance, the name "Northwestern" is frequently utilized, as in *Northwestern Cafe, Northwestern Confectionery, Northwestern Pharmacy.* While these titles were probably not selected strictly because of the feeling tone involved, yet the choice was good from that standpoint, because of the prestige enjoyed, in that vicinity, by Northwestern University.

HABIT

Another important item in the discussion of feeling tone is that of *habit,* with which is related the subject of *custom.* In the section on foreign advertising, the fact was emphasized that American advertisers often make costly blunders because of their ignorance of foreign customs. An offence against custom may render an advertisement ludicrous and of no effect, or it may produce a harmful feeling of unpleasantness. The manufacturers of cigarets intended for women have recognized this, and guided their actions accordingly. Custom generally frowns upon the public smoking of cigarets by women. Accordingly, the manufacturers do not generally use illustrations which show women smoking, as that would produce a feeling of unpleasantness. They merely mention the daintiness of the product, or some such attribute, leaving the fact that it is primarily intended for women to be gained by inference, rather than by direct statement. The idea of daintiness produces a feeling of pleasantness, while the offence of custom, involved in an illustration of a woman smoking a cigaret, would produce negative results.

Between-the-Seasons

In the Fall when the days are too cool for athletics and too mild for heavier weights, underwear correctness calls for "Autumn weights." Our Number 611, representing this weight, is an elastic ribbed union suit of combed cotton so skilfully fashioned that it assures a new measure of comfort to its wearer

Wilson Bro's

These "between-seasons" garments are a part of Wilson Bro's complete line of underwear "for all sections and seasons"—for men in every climate and occupation. Ask the Man Behind the Underwear Counter

Wilson Bro's, Chicago

Figure 24: The strain in reading this advertisement is due to the fact that the style of lettering used is hard on the eyes. Consequently, if one attempts to read it, a feeling of unpleasantness is produced. (*See page 293.*)

In introducing new commodities, or suggesting new uses for products which demand a change in individual habits, the advertiser must use caution so as not to produce feelings of unpleasantness. He should strive to show how the new habits will be agreeable. To the man who habitually drinks coffee and enjoys it, for instance, the thought of giving up the beverage would be unpleasant. The advertiser of a substitute drink would, therefore, do well to emphasize the refreshing and beneficial qualities of his product more than the suggestion that the consumer stop drinking coffee.

STRAIN AND RELAXATION

When we come to study strain and relaxation as elements which determine feeling tone, we find that more actual experimental work has been done than in regard to some of the other elements we have mentioned. It has been determined by actual laboratory and field tests, for instance, that certain varieties of type are harder on the eyes than others. Printers have realized this for many years, and their empirical knowledge has been supported, in many cases, by scientific observation. Figures 24 and 25 are typical examples of advertisements which create a feeling of unpleasantness by reason of the fact that they are difficult to read.

SIZE AND STYLE OF TYPE

Not so many years ago, it was thought that one of the best ways of emphasizing the importance of a passage was to set it entirely in capital letters. Now we have come to realize that such a practice is not at all efficient. According to Starch,[1] even headlines, wholly in upper-case letters, are about half as prevalent as they were a few years ago. We usually perceive words by their form and as units, rather than by the letters which compose them. Setting numerous

[1]Starch, Daniel. *Principles of Advertising*, p. 663. A. W. Shaw Company, Chicago, 1923.

$1
Brings this 110-piece Gold Decorated Martha Washington Dinner Set
Hartman wants you to put this superb gold decorated, initialed Dinner Set on your own table on free trial. Only by actually seeing the beautiful, famous Martha Washington pattern can you realize how wonderful it is. Send only $1 and we ship the full set—110 pieces in all. Use the dishes 30 days. Then if you are not so delighted that you would not part with them, return the set and we will refund your $1 and pay transportation charges both ways. If you keep them, take nearly a year to pay on our easy terms. Send the coupon today
Your Initial in 2 Places on Every Piece—5-Color Floral Decorations and Gold
Wonderful artistic effect is given not only by the new and attractive shape of every dish, but by the rich design surrounding the initial. Your initial with these superb decorations of scrolls, leaves and roses in natural colors, put on by special fired process, appears in two places on every piece. As handsome as the enameling you see on fine jewelry.
All Handles Covered With Gold
Every handle is covered with polished gold such as you see on the most costly imported dishes. The ware itself is beautiful, lustrous, snowy white, and besides the initial floral decoration and gold covered handles, every piece has two gold border lines as a finishing touch. No other pattern to equal the famous "Martha Washington." A set you will be proud to display before your friends. Elegant, refined, artistic. And yours now at a bargain price. And all the dishes you need—110 of them—yours first on free trial, then easy payments. Shipped on 30 days' free trial direct from our Chicago warehouse. Shipping weight about 90 pounds. You must not miss this opportunity. Mail the coupon today.
Important!
FREE
Bargain Catalog
This great free 368-page catalog gives you the most amazing bargains in Furniture, rugs, linoleums, stoves, watches, silverware, dishes, washing machines, sewing machines, phonographs graphophones, cream separators, etc.—all on our easy terms—30 days' Free trial on everything.
Be sure to send a postal for the big Free 368-Page Bargain Catalog today.
"Let Hartman Feather YOUR Nest"
Send Postal for HARTMAN'S 368-PAGE FURNITURE CATALOG Save ½—Take a Year to Pay
368-Page Book FREE
Hartman Furniture & Carpet Co.
Dept. 4631 Chicago, Illinois
Mail Coupon Now!
Order by No. 324DBRA13. Bargain price, $32.85. Pay $1.00 now. Balance $3.00 monthly.
HARTMAN FURNITURE & CARPET CO.
DEPT. 4631 CHICAGO, ILL.
ABCDEFGHIJKLMNOPQRSTUVWXYZ

Figure 25: Because the general appearance is choppy and therefore difficult to read, this portion of an advertisement produces a feeling of unpleasantness. (*See page 293.*)

words in capitals gives them all much the same rectangular appearance, and makes reading difficult and monotonous.

It has been observed that as type decreases in sizes below ten point, it becomes increasingly hard for the average person to read. If the type is too large, the material cannot be grasped in phrase units, as the eye can perceive only a word, or perhaps only a few letters, at a time. In the case of classified advertisements, of course, where the reading matter is not long, and one is looking for something in which he is interested, the type can be much smaller than ten point, and still be effective.

LENGTH OF LINES AND BACKGROUND

Much of the strain involved in reading can be avoided by proper regulation of the length of line in which material is set. Starch[1] had 3 pieces of text set up exactly alike,

[1] *Ibid.* p. 664.

except that they differed in the length of line employed. The first copy was set in lines 1½ inches long, the second in lines of 2¾ inches, and the third in lines 5 inches long. With a stop-watch, he timed 40 persons as they read the 3 passages. He found that the text set in 2¾-inch lines was read 16% more rapidly than that in 1½-inch lines, and 7% quicker than that in 5-inch lines. Ordinarily, when the lines are more than 6 inches long, it is rather difficult to read printed matter. This depends, of course, on the size of the type used, as well as upon the distance between the lines. The correct amount of space between lines varies with the size of the type.

Another important factor in the determination of legibility, and the resulting effect of eye-strain, is that of *background*. Black type on white background is probably the most efficient combination, as shown by its long usage and by laboratory experiment as well.

Lack of proper paragraphing often causes unnecessary strain. Even though the thought of a passage is one continuous unit for several pages, it is well to break up the reading matter into paragraphs, in order to give the eyes a chance to pause and begin anew.

PECULIARITIES OF TYPE

It has been demonstrated that certain varieties of type suggest peculiar attributes. It is difficult, however, to determine the exact feeling produced by each of the styles, and no really accurate and specific information in regard to this subject has come to the notice of the author.

Much of the strain, or relaxation, and consequent feeling tone involved in reading printed matter is dependent on the actual legibility of the type used. When it comes to testing the legibility of various styles of type, we enter a field where accurate experimentation is not only possible, but where a good deal of progress has been made. It is

obviously undesirable either to mention the results of all of these experiments here, or to give any general rule for the use of different styles of type. Rules in regard to feeling tone induced by different styles of type, even if they were reliable, cannot be given without involving too much detail for our purposes.

It is interesting, however, to note the results of an experiment recently performed, under direction of the author, by Frederick W. Read. An "exposure box," arranged so that the light adaptation and the range of vision were constant, was used in the test. The apparatus had the added advantage of allowing the operator to accurately control the amount of time for which the various plates were exposed. Seventy styles of type, each represented by an eight-letter, twelve point word mounted on a card, were tested. The subjects were allowed to view all of the specimens exposed one at a time, each for various intervals, beginning at 1-300 of a second, and progressing toward an exposure of one second. In this way, it was possible to keep an accurate record of the length of exposure at which each specimen was first recognized. The results of the experiment, obtained from the records of numerous subjects, indicate the styles of type which are most quickly and accurately read, as well as those which require more time and effort for perusal.

This sort of experiment naturally involves numerous limitations, the greatest of these being the variance in familiarity to the subjects, of the words used. In order to have the results entirely accurate, it would be necessary to employ words of equal familiarity to the subjects. This difficulty is being partly overcome by performing the experiment with several different lists of words. Further work in this line now being carried on seems to verify the initial findings to a considerable degree.

Mr. Read found the two styles of display type reproduced at the top of the opposite page most easily perceived, being the only ones visible at 1-300 of a second.

This is 12 point Cheltenham Bold Extended.

This is 12 point Hobo.

The styles of display type visible at the next rate of exposure, 1-200 of a second, were:

This is 12 point Cheltenham Bold.

This is 12 point Cheltenham Extra Bold.

This is 12 point Cheltenham Oldstyle.

This is 12 point Century Bold.

This is 12 point Clearface Heavy.

This is 12 point Post Oldstyle Roman No. 2

This is 12 point Bold Antique.

This is 12 point Boston Breton.

This is 12 point Roycroft.

This is 12 point Corbit.

None of the words set in the "body types" were recognized in less than 1-50 second. The styles discerned at that interval were:

This is 12 point Cheltenham Italic.

This is 12 point Cheltenham Wide.

This is 12 point Cheltenham Medium.

This is 12 point Cheltenham Medium Italic.

This is 12 point Cheltenham Medium-Expanded.

This is 12 point Bodoni.

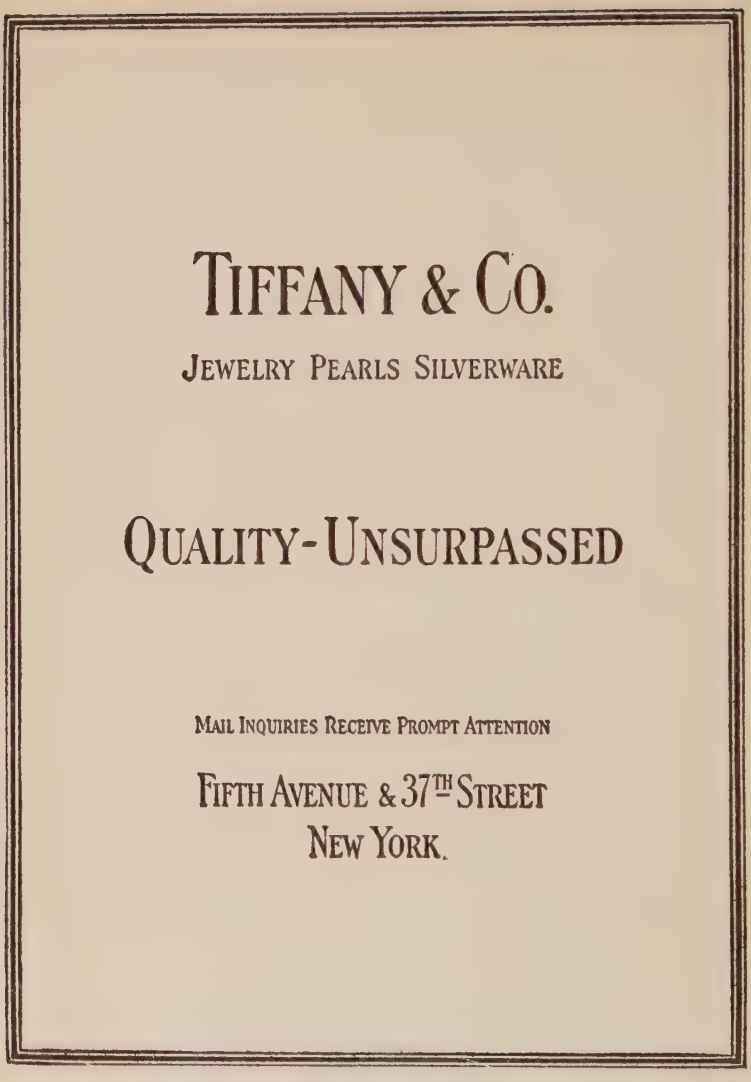


Figure 26: The type here used is suggestive of "quality" jewelry.
(*See page 299.*)

This is 12 point Scotch Roman.

This is 12 point Bookman Oldstyle.

The styles of type illustrated should serve to give the reader an idea of the varieties which may be used with a minimum amount of eye-strain.

The foregoing suggestions, while they must not be taken as definite rules by which certain feeling tones may be developed, nevertheless give an idea of the factors governing this aspect of advertising. In the final analysis, the individual must decide as to the effect produced by a particular piece of copy, studying its form and arrangement, as well as its content, in an endeavor to select the elements which will be most apt to yield feelings of pleasantness. In this connection, a study of Figure 26, on the opposite page, will show that the advertiser, by a judicial selection of type, has put into his advertisement a suggestion of "quality."

SUMMARY

In this chapter we noticed that it is of little use to attract attention, if we do not hold it and use it to advantage. We learned that attention is held, largely, by securing interest. There are objective and subjective methods of holding attention, just as there are of attracting it. As in attracting attention, so in holding it the subjective means are for the most part more effective than the objective methods.

We learned that one of the best ways of securing interest in a commodity is to give information about it in terms with which the reader is familiar. Another method is to arouse activity toward the commodity.

The greater part of the chapter was given over to feeling tone, emphasizing the importance of creating feelings of pleasantness. Feeling tone was discussed as emanating from the content of copy and the way in which its elements are arranged. The artistic arrangement, form, balance, sym-

metry, color combination, and like attributes have much to do with the production of feeling tone. Among the elements of content emphasized were: color, word imagery, suggestions of rejection or unpleasant associations, and the strain or relaxation afforded in reading copy.

The next chapter will continue the discussion of this important fourth problem of advertising.

Problems

IV—7-9, 11, 13, 15, 17, 22, 26, 28, 39, 44, 49, 56, 64.
IX—1, 3, 15-17, 19-20.

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XVII

CREATING MENTAL HABITS

Importance of making associations for memory. Laws of association; contiguity, sequence, feeling tone, fusion, similarity, dissimilarity. Important principles of association. Principles of revival; frequency, strength or vividness, recency, primacy. Curve of forgetting. Minor methods. What type of fact is most easily remembered? Summary.

So far our discussion of the fourth problem has centered on the first part, namely holding attention by securing interest. The other part of the problem involves the creation of mental habits and associations—associating things, and impressing them upon the memory—so that they present themselves, when the time comes for action to take place. This process of association and memory is extremely important in advertising, because usually the action brought about by advertising does not occur at the instant one sees the copy, but at some later time. One cannot ordinarily buy at the moment he reads an advertisement. If he does not retain the suggestion conveyed by the advertisement, the latter is likely to be of no effect.

The first and second parts of this fourth problem are so closely related that much of the discussion in connection with the first portion applies equally to the second. This is true especially of the paragraphs on feeling tone. As we noticed in Part I, people tend to remember things and associations which have previously given them the feeling of pleasantness, or of unpleasantness. We discovered also that when associations are recalled, they bring with them some of the feeling tone which they originally involved. It is well, therefore, to bear in mind the discussion of the first part of the problem, as we turn our attention to the second division.

LAWS OF ASSOCIATION

In discussing the factors governing attention, we stated the laws and principles of attention. We shall attempt to follow the same plan in our study of association and memory.

Objects, situations, ideas, events, feelings, and acts are always experienced by the individual in some relation to each other, and when we become aware of any part of such an experienced relation, the other part tends to follow: those related factors that we have experienced together, or in succession, or which have some element in common, tend to recur together. We have association in perception, memory, imagination, and thought; in fact, in all mental life. As in attention, so in association, selection is quite important in controlling the course of the associations or in determining the ideas or events that shall be recalled or remembered together. Fundamentally, all things that are remembered or recalled go back to association—the most fundamental of all factors in recall.

Among the methods by which associations are made and recalled are the following. These are often termed the *laws of association.* An example of one application of the laws of association is given in Figure 27, on page 303.

1. *Contiguity*—when two ideas are present at the same time, they are apt to be recalled together. Thus "ball" and "bat" may be recalled together, because the two ideas have been present at the same time.

2. *Sequence*—one idea follows another. This may take the form of an association such as *Hotel Astor,* the word *Astor* following the word *Hotel* in recall, because of the sequence of the two. Or it may be an association brought about by sequence in *time.* An action may suggest another, because the second one had previously followed the first in point of time. The commuter may associate the act of running for his train in the morning with the act of eating breakfast, because the former followed the latter.

A dollar can buy no finer soap for your skin than Ivory. See the new Guest Ivory — how dainty its shape, how quick its lather, how gentle its cleansing!
Guest IVORY
5¢
The test — To be safe for silks, a soap should be safe for your face. Ivory IS.
IVORY
Flakes
IVORY FLAKES

Figure 27: These two street-car cards aim to have the reader associate the trade name with his desire for fine, cleansing, and "safe" soap. (*See page 302.*)

MORRIS

Supreme
Mince
Meat

Perfectly delicious! Made of Morris Supreme Mince Meat! Finest meats and fruits, mellowed, and flavored with choicest spices.

Like other Morris Supreme foods this mince meat bears the famous yellow and black label.

MORRIS & COMPANY

Packers and Provisioners

A good mince meat
for a good mince pie—
Morris Supreme

Figure 28: Use of the good-will of the company and an appeal to taste constitute this form of suggestion to action. (*See page 316.*)

3. *Feeling tone*—when the feeling tone aroused by two different experiences is the same, the recall of one tends to bring up the other. We remember things which have caused us feelings of pleasure in the past.

4. *Fusion*—the elements of one thing overlap—one thing "colors" another, and we recall them together because of this connection.

5. *Similarity*—things bearing resemblance are recalled together. "Chair" and "stool" may be recalled, because of the likeness of the two.

6. *Dissimilarity*—opposites are recalled together—when one hears the word "long" he may thing of "short." "High" and "low," "fat" and "thin" are other examples.

IMPORTANT PRINCIPLES OF ASSOCIATION

Two of the general principles of association are quite important in advertising. These are:

1. *People tend to think from the specific to the general.* When we hear a trade name, we think of the class of commodity it represents. We hear "Arrow' and think of collars. But when we hear the word "collars," we may think of any number of brands.

2. *People tend to think forward rather than backward.* It is easier to recall a series of events if we begin at the first and proceed to the last, than it is to start at the last and recall them backward.

We shall see, however, that the second law may be used to overcome the principle involved in the first. If advertisers recognized the importance of this second law, they would take advantage of it and mention the class of article first, and the particular brand next. Though the word "Arrow" may bring to attention the idea of "collar," and the man who sees the advertisement may be reminded that he needs to

buy collars, the chances are that more often, he *first* realizes that he needs collars, and *then* thinks of the brand he will buy. Instead of telling people, *Go to Jones Brothers' for good clothes,* tell them, *If you want good clothes, go to Jones Brothers'.* The stationery manufacturer who advises us, "When you think of writing, think of Whiting," has made good use of this law of psychology.

The advertiser will find no great difficulty in applying the 6 laws and the 2 general principles just mentioned. The majority of our associations seem to be governed by the law of contiguity, in advertising and selling, as well as in our other activities. This has been determined by giving a list of 20 words to a large number of people, and asking them to write opposite each the first word suggested by it. The types of association represented was noted in each case, and a count made, the result showing a large majority of the cases to be association by contiguity. An effective use of this principle is the development of a slogan such as "Children cry for Fletcher's Castoria." The frequent display of this sentence has led the buying public to associate the idea of *children crying for something* and *Castoria* because people have seen the two ideas so often coupled.

PRINCIPLES OF REVIVAL

The principles and laws which we have been discussing are concerned largely with the *making* of associations, though they have their bearing on what is to follow, namely, the processes of recall or revival. Recall is only one process of memory. In order to understand the function that recall plays in advertising it may be well to see its proper relation to the other three processes that constitute memory.

Memory may be defined as the awareness of past experience. In fact, it is the ability to recall an event or a group of events which one experienced in the past, with the knowledge of when and where they were experienced. The act of remembering may be divided into the following

four processes—learning, retention, recall, and recognition. In order to remember a fact of past experience, we must learn it and retain what we learned; we must be able to recall it, and finally recognize when and where it was experienced before. Learning, of course, is the ability to form associations, while retention is the capacity of our nervous system to hold what has been associated. The mind really is a storehouse of thoughts, ideas, feelings, or acts, some of which can be recalled at will. In that way we may "live" our past experience over again.

Not all of the experiences, however, that have been learned and retained can be recalled at will. In memory as in sensory experience, only very few of the infinite number of impressions reach consciousness; that small fraction which reaches the level of consciousness leaves available traces which can be recalled and recognized. If a past experience has been consciously retained, then it may be recalled if we are aware of some idea that is in some way connected or has something in common with the event that we wish to recall. Everyone knows that not all of the events that we may recall are recognized. When an experience is revived and the recalled event is accompanied by our being aware that we have had the experience before, if we finally recall when and where we had it, the mental process called recognition is present, and only then have we memory in its most exact sense.

It is clear, now, why it is that, when a connection has been made between two ideas, this fact does not guarantee that they will be *recalled* together. Whether or not the pair of ideas will be recalled together depends also on what is sometimes termed the *principles of revival.* The most important of these are:

1. *Frequency*—other things being equal, the ideas which have been most often repeated together will be the most apt to be called together. The repetition is of little effect, however, if it is not supported by *attention.*

2. *Strength or vividness* of the stimulus which created the first impression of the ideas involved. This vividness may be caused by the sheer intensity of an advertisement, by the powerful suggestion it conveys, or by any device which causes an impression stronger than the average.

3. *Recency*—we tend to remember the most recent things rather than those whose impressions have "worn off."

4. *Primacy*—other things being equal, the first association will predominate, being more easily recalled.

Hollingworth[1] suggests that recency and primacy are, possibly, only special forms of vividness. He places recency a trifle above primacy in effectiveness.

THE CURVE OF FORGETTING

The advertiser who seeks to impress new ideas on the mind of the consumer, by running the same copy at regular periods, fails to take into account the *curve of forgetting*. This curve, shown in Figure 29, on page 308, illustrates the principle that, in order to insure the greatest efficiency in memory, one must repeat things oftener at first than later on. For instance, if one were allowed to use an appeal five times, it would be more effective to use it at intervals of 2, 5, 10, and 20 days, respectively, than to use it once a week for five weeks. The actual curve of forgetting has not been carefully and accurately verified, but experimental work now being carried on indicates that the general principle, as given here, is largely correct.

It is impossible, of course, to follow the schedule suggested by the curve of forgetting, in monthly and weekly publications, because the periods of issue do not allow exact adherence to such a plan. If an advertiser were allowed six pages in a monthly magazine, however, he would

[1]Hollingworth, Harry L. *Advertising and Selling*, p. 202. D. Appleton and Company, New York, 1920.

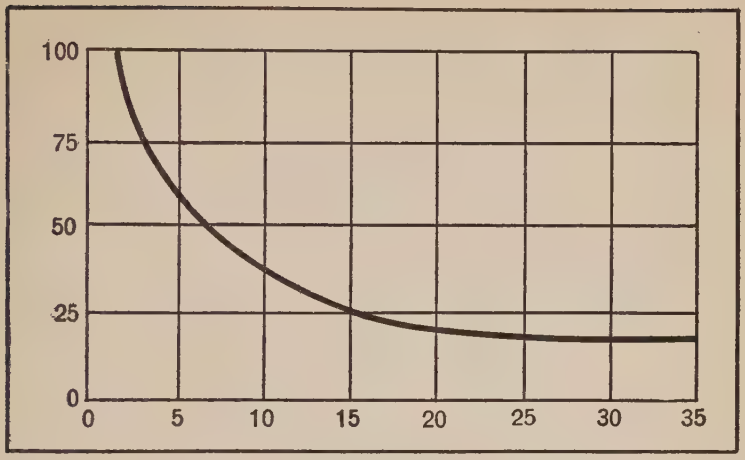

Figure 29: The curve of forgetting. The vertical lines represent the amount of material forgotten. The horizontal line shows periods of time. (*See page 308.*)

undoubtedly find it profitable to run them the first, second, third, fifth, eighth, and twelfth months, rather than the first, third, fifth, seventh, ninth, and eleventh months.

MINOR METHODS

Numerous minor methods of impressing things on the memory are employed in advertising. *Clever* or *ingenious* names and descriptions are more easily remembered than the ordinary run of advertisements. A cleaner-and-dyer, whose trucks were decorated with *Six-One-Nine Cleaners —Our name is our telephone,* found that this idea increased his business.

While it is impractical here to go into the details of the results of Hollingworth's experiment, it is important that we note what sort of attributes make things easily remembered, in order that we may be guided in the choice of trade-marks and layout of copy.

Jingles and *rhymes* often serve as means of helping folks

to remember things. Care must be taken in using these devices in advertising, however, as they may detract from the dignity of the commodity, or even fail to establish the type of association which culminates in buying. *Rhythm* may be used in much the same way.

Motor reenforcement helps people to remember things. To get people to write for catalogs, add a last line to a series of verses, return a coupon, or do anything of that sort, makes it easier for them to recall the advertisement.

WHAT TYPE OF FACT IS MOST EASILY REMEMBERED

Hollingworth points out that certain kinds of facts are more easily remembered than others, and that the advertiser should utilize in his copy the items which are most likely to be remembered.[1] He tested 40 subjects to discover the type of material most readily recalled. He gives the following table:[2]

RESULTS OF TESTS TO DISCOVER TYPE OF MATERIAL RECALLED

Kind of Facts	Accuracy
1. Mere presence of things	97%
2. Number of people	65%
3. Space relations, form, and so forth	58%
4. Condition of objects	48%
5. Order of events	35%
6. Color	26%
7. Size and quantity	22%
8. Sounds	10%
9. Time (duration)	8%
10. Actions (strong attention value but not accurately reported)	?

This has been one of the shortest chapters on advertising. It is quite important, nevertheless. If it has done nothing more than to emphasize the necessity of making

[1] Hollingworth, Harry L. *Advertising and Selling*, p. 208. D. Appleton and Company, New York, 1920.

[2] *Ibid.*, p. 210.

associations for memory, it will have accomplished much. The laws of association should be reviewed and well remembered.

One of the vital points mentioned was that people generally tend to think from a particular brand of article to the class of commodity, but they do not tend to think from the class to the specific brand alone, unless they are taught to do so by a device which uses their ability to think forward rather than backward.

The principles of revival and the curve of forgetting are other points which are important. In conclusion, it was noted that certain types of fact are more easily recalled than others, the suggestion being that the types most easily recalled are usually more valuable in advertising than the others.

The next chapter will introduce us to the fifth and last problem of advertising.

PROBLEMS

X—1-3, 14, 28, 34, 36, 38, 40.
XI—1, 15, 32-36.

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XVIII

SECURING CONVICTION BY SUGGESTION

Importance of suggestion. How suggestion operates. Types of suggestion: sensory, command, assertion, and invitation. Suggestion should be positive. Attracting attention. Prestige of source of suggestion. Suggested action should be easy to carry out. Habitual and emotional suggestion. When to use suggestive appeals. Summary.

We cannot underestimate the importance of the fifth problem of advertising, which we are now to investigate. While the problems of attracting attention, securing interest, making sure that impressions will be recalled, and the like, are important, it is evident that an advertisement can accomplish nothing worth while if it does not induce conviction, desire, and action. After all, the purpose of advertising is to cause people to *act*, and if it does not accomplish this aim in some degree, it represents so much wasted effort.

In the section on the consumer, we noted that action may be either *impulsive, habitual,* or *rational.* The same may be said of *conviction.* The methods of producing conviction which we shall observe are *suggestion* and *reason.*

Suggestion is probably more effective in advertising than the appeal to reason. Starch[1] asked a class of students to make a list of the commodities with which they were familiar, and to state the peculiar features associated with each. Not more than 20% of the items mentioned a specific selling argument. Many of the selling arguments noted, moreover, were remembered as the result of suggestion, from slogans, and so forth, rather than as the result of reasoning. The proved effectiveness of the suggestive method of advertising has caused its use to increase greatly

[1]Starch, Daniel. *Principles of Advertising,* p. 390. A. W. Shaw Company, Chicago, 1923.

in the last few decades, until at present it is employed far more frequently than advertising appealing to reason.

It must be borne in mind, however, when we say suggestive advertising is more effective than "appeal-to-reason" copy, that each of these types is better adapted to some commodities, and to some consumers and mediums than to others. In copy intended to sell locomotives to railroad companies, for instance, it would be necessary, sooner or later, to rely on good "reason-why" material. The principles mentioned in connection with impulsive and rational buying, in the section on the consumer, apply equally as well to conviction.

HOW SUGGESTION OPERATES

In observing the "nature of man," we noted that whenever any stimulus is applied to the human mechanism, some sort of action results. This is another way of stating the law of psychology that *every sensory impulse has its inevitable motor issue.* So, too, *whenever a situation is suggested, the tendency is to produce movements capable of handling it.* Suggestion is a powerful agent, largely because *any suggested function tends to realize itself, if it is not impeded by rival ideas or physical circumstances. Decision* is only the final outcome of the rivalry of competing ideas. Which idea is successful depends upon the total situation—the idea plus the particular condition of the organism at the time, its purpose, changes wrought in inheritance by experience, social influences, and similar factors. The significance of these statements is great, as they form much of the basis of the present study.

The purpose of the suggestive appeal, then, is to arouse desire without involving a logical process to produce conviction. Desire is a feeling in determining action. Such feeling may develop in any mental level—as, we have sensuous desires, sentimental desires, emotional desires, and impulsive desires as well as rational or imaginal desires.

In each case of desire we have some object or act in mind, tinged with a feeling of attraction, which we wish to realize. As a rule, desire is present when we aim to gain something which we think is beneficial to the human organism. With desire there may be present, at times—in rapid shifts of feeling opposed to it—aversion, which occurs with reference to objects or events the organism regards as noxious. In any voluntary activity, desire or aversion is used as a compelling influence, the amount of influence of which varies from a relatively inconsequential display of energy to an intense emotional feeling of want or need which, as a rule, will run into the most impulsive action without ever permitting an appeal to reason.

Therefore, when the consumer reacts to a suggestive appeal, he seldom realizes that he has arrived at the stage of conviction, because the operation of suggestion is not so noticeable as that of reason.

Among the types of suggestive appeal frequently employed in advertising are:

1. Display of the name of the commodity only
2. Display of the name in elegant surroundings which suggest that the article advertised is of high quality
3. Display of the article in use, suggesting its name, quality, and utility
4. Direct command, as for instance, "Take a Kodak with You"

TYPES OF SUGGESTION

We may classify suggestive appeals as being made through (1) the senses, (2) command, assertion, or invitation, (3) habit, emotion, or sentiment.

SENSORY

We have undoubtedly become familiar with the sensory appeals from our study of the consumer, as well as the paragraphs on color, feeling tone, and related subjects. It is

possible to utilize all of these appeals by suggestion. A picture of a pudding, accompanied by text describing its deliciousness, may constitute a strong appeal to taste, for instance. In using sensory appeals, illustrations will be found effective, as pictures have stronger suggestive value than have words. An application of this principle is shown in Figure 28, on page 304 an advertisement of Morris food products.

Advertising should be free from sensory suggestion which conveys a feeling of unpleasantness. *The Principles of Advertising*[1] by Tipper, Hotchkiss, Hollingworth, and Parsons gives as an example of poor sensory suggestion the chewing-gum advertisement which read, "Click go the teeth. Out comes the delicious juice of Wrigley's Spearmint Gum."

COMMAND, ASSERTION, AND INVITATION

The fact that decision is only another name for the final outcome of the rivalry of competing ideas, has already been mentioned in our discussion. Direct commands are therefore effective in advertising, because they do not suggest interference. If vigorous, forceful, and not in conflict with pre-established habits and tendencies, direct command tends to bring about action more or less effectively. If competing ideas are so much as mentioned, the power of direct command is lessened, and the advertisement becomes feeble "reason-why" copy. "Drink Postum" is certainly more effective than "If you are going to give up coffee, drink Postum." Figure 30, on the opposite page, illustrates an effective use of the direct command.

Commands, assertions, and invitations do not need to be direct in order to be effective. Indirect suggestion is frequently more powerful than direct suggestion could be. Often when we are able to recognize or trace suggestion to a particular source, there is considerable opposition to it. We do not wish to be led, consciously, by outside influences.

[1]Page 156.

Figure 30. The use of the direct command as a form of suggestion to action
(*See page 316.*)

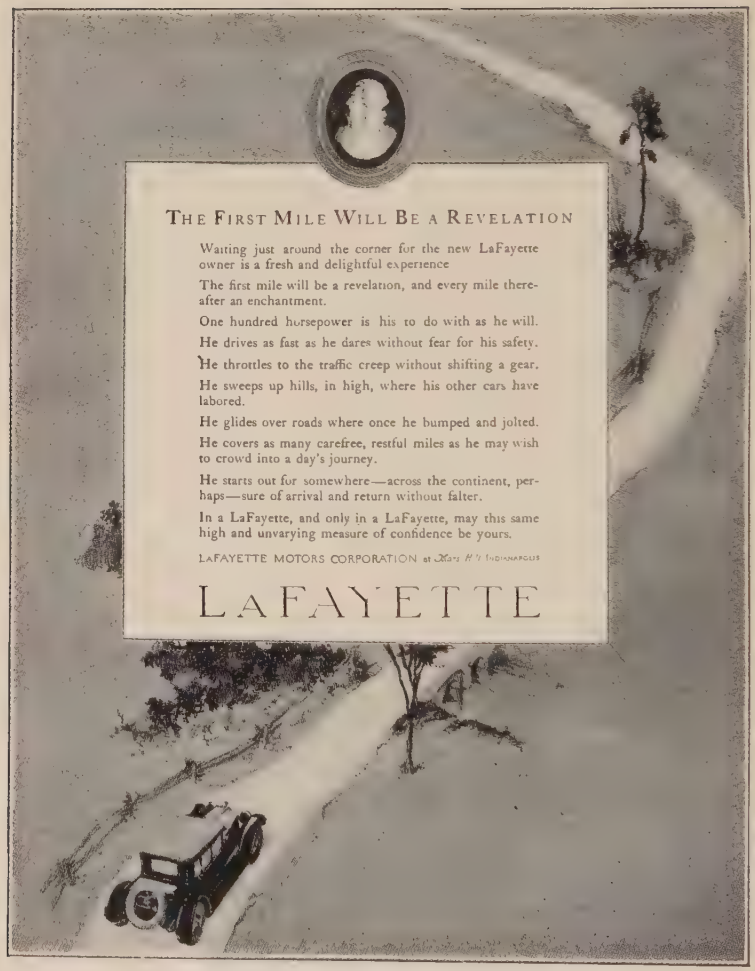
THE FIRST MILE WILL BE A REVELATION
Waiting just around the corner for the new LaFayette owner is a fresh and delightful experience
The first mile will be a revelation, and every mile thereafter an enchantment.
One hundred horsepower is his to do with as he will.
He drives as fast as he dares without fear for his safety.
He throttles to the traffic creep without shifting a gear.
He sweeps up hills, in high, where his other cars have labored.
He glides over roads where once he bumped and jolted.
He covers as many carefree, restful miles as he may wish to crowd into a day's journey.
He starts out for somewhere—across the continent, perhaps—sure of arrival and return without falter.
In a LaFayette, and only in a LaFayette, may this same high and unvarying measure of confidence be yours.
LAFAYETTE MOTORS CORPORATION
LAFAYETTE

Figure 31: The use of indirect suggestion to action. (*See page 319.*)

So, if the suggestion is indirect, or we have forgotten its source and it seems to be spontaneous with us, we act on it more than we would if it were obviously of outside origin. One way of using indirect suggestion is shown in the Lafayette advertisement in Figure 31, on the opposite page.

Suppose, for instance, that a man wants to buy a home. He may have seen numerous advertisements of land in a certain subdivision of his city, but there have been so many that he does not remember any particular one. He has never noticed a direct invitation or command to purchase a lot there. He thinks it is his own idea that leads him to investigate the proposition offered in the subdivision, when in reality he acts largely as the result of suggestion contained in the advertisements he has seen in the past.

SUGGESTION SHOULD BE POSITIVE

Suggestions should include clear, powerful ideas. A suggestion which is not of this type has little place in advertising and may do more harm than good.

Positive command is more effective, as a rule, than negative command. Negative command usually contains too much counter-suggestion to give the best results. The story of the woman who warned her children not to put peas in their noses, and returned to discover that her suggestion had caused them to do the very thing she forbade them, is illustrative of a strong trait in human nature. Suggestion is most active at its positive pole. When we compare the height of two men, or the speed of two automobiles, we note that one man is *taller* than the other, and that one auto is *faster* than the other, rather than that one man is *shorter*, or that one car is *slower*.

ATTRACTING ATTENTION

Several of the laws of attention have important bearing on the subject of suggestion. We learned that the process

attended to becomes clearer and more intense than others, and that it rises more quickly into consciousness than do other processes entertained simultaneously. Therefore, the power of a suggestion depends upon the amount of attention given it. This is true whether the suggestion operates consciously or unconsciously. Bearing this in mind, we come to a fuller realization of the desirability of employing the most effective methods of attracting attention and securing interest.

PRESTIGE OF SOURCE OF SUGGESTION

Something of the power of a suggestion depends upon the prestige of the source from which it comes. We are more apt to act upon a suggestion coming from a recognized authority than we would be if it came from one to whom we gave little respect or credence. The suggestion conveyed by *magnitude* is important—we tend to think that the store with the largest building is the best, or that the newspaper with the largest circulation excels others. The *past success* of an enterprise suggests that it is a good one.

We also tend to think well of commodities and enterprises because of the *patronage* they enjoy. The implication is that if members of royalty, actors, doctors, or other prominent people use or approve of an article, it must be good. It is also possible to borrow prestige, by using a name which already stands for good qualities in some other field. An example of this is the use of the name "Northwestern," by which suggestion a certain amount of prestige is conveyed upon numerous business houses in the vicinity of Northwestern university. This particular instance was dwelt upon in the discussion of feeling tone.

SUGGESTED ACTION SHOULD BE EASY TO CARRY OUT

Since a suggestion is effective only when it can take precedence over all competing ideas, it is the duty of an ad-

vertisement to remove any resistance present in the consumer. For instance, if an advertiser wishes to have the reader send him an inquiry, he should supply a coupon which is easily torn from the medium and filled out, or use some other method of making action as easy as possible. In order that the consumer may know just where to obtain a product, and may not have the trouble of inquiring for the place, it is often effective to give the name of the nearest dealer, or some other directions for getting the commodity.

HABITUAL AND EMOTIONAL SUGGESTION

The third class of suggestive appeal, aimed at habit and emotion, is effective because the use of these appeals enables the suggestion to follow channels which are already developed. In order to get the best results from an advertisement, it is necessary to put the reader in a familiar situation, or one which it is natural to imagine. This we know to be true from our study of interest and feeling tone, as well. Suggestions which demand strange action, or involve difficulty in imagination, are apt to be of little effect because of the opposition they invite.

These appeals are mainly of three types, those directed toward (1) habits formed in the life of the individual consumer; (2) customs or conventions of the community; (3) emotions with which the consumer is familiar.

One of the characteristics of this group of appeals is that all of them involve a considerable amount of feeling tone. The individual associates a feeling of pleasantness with his habits; breaking them causes a feeling of unpleasantness. Acting in accordance with the customs of the community is agreeable; violation of them is disagreeable. People like to wear clothing which is "in style," for instance. Again, the reference to certain emotion causes a feeling of pleasantness. Because of the previous treatment of this subject in Part I, and as we have discussed the place of interest in

advertising, it is unnecessary to go more fully into the topic here.

Some students of advertising feel that they must have a complete list of human habits and desires before them in order to plan the appeals they are to make. There is certainly no harm involved in the judicious use of such lists, provided they are not mistaken for "instincts." Since there is little agreement as to how these fundamental desires or wants of human beings, and the correlated appeals, are to be classed, and we do not feel the necessity of developing a catalog for ourselves, the best we can do is to refer the reader to lists which have been compiled by others.[1]

WHEN TO USE SUGGESTIVE APPEALS

Now that we have observed the suggestive appeal, it is pertinent to ask ourselves when to use this type of persuasion. While we would rather not state any rules, because any general set would have to be conceived in abstract situations, nevertheless, we may note that Hollingworth proposes that it is adapted:[2]

1. For all *personal* articles, the use of which is *intimate* and *private,* as toilet articles, gifts, stationery, and so forth;
2. For articles of *luxury, display,* and *adornment,* as jewelry, fancy dress goods, feathers and plumes, flowers, and so on;
3. For articles enjoyed *in themselves* or *for their own sake,* rather than for remote service which they may render, as drinks, musical instruments, sweetmeats, toys;
4. For articles calculated to promote the *bodily safety* of the individual or of those dependent on him, as disinfectants, safety devices, insurance, weapons of defence;
5. For *all food products;*
6. For all clothing which tends to be ornamental rather than utilitarian in character, as ties, collars, laces, canes.

[1]Among the best of these are: Starch, Daniel, *Principles of Advertising,* pp. 259-261, A. W. Shaw Company, Chicago, 1923, and Tipper, Hotchkiss, Hollingworth, and Parsons, *The Principles of Advertising,* pp. 64-66, The Ronald Press Company, New York, 1923.

[2]Hollingworth, Harry L. *Advertising and Selling,* p. 245. D. Appleton and Company, New York, 1920.

In the final analysis, the individual advertiser must decide in each case what type of appeal to use. The above list from Hollingworth is merely a suggestion of the ways in which the "short circuit appeal"—an appeal to suggestion—may be utilized.

SUMMARY

This chapter introduced us to the fifth problem of advertising, which is to secure conviction, secondary desire, and action. Unless this final function is accomplished, the solution of the other problems is of no avail.

The main discussion was on the production of conviction by suggestion. This was based largely on the fact that any suggested function tends to realize itself, if it is not impeded by rival ideas or physical circumstances. Decision is the outcome of the rivalry of competing ideas. Three classes of suggestion were enumerated: (1) sensory; (2) command, assertion, invitation; (3) habitual and emotional. Some of the points emphasized were that suggestion should be positive and counter-suggestion avoided; suggestion should attract attention and its source carry prestige; suggested action should be easy to carry out.

The next chapter will continue with the subject of conviction, and show how it is sometimes produced by the use of reason rather than suggestion.

PROBLEMS

XV—6-9, 20, 21, 34, 41, 59, and 60.

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XIX

CONVICTION THROUGH REASON; STIMULATING SECONDARY DESIRE; PRODUCING ACTION

When to use reason. Reasoning starts when doubt occurs. Evidence. What type of reasons are best? Inductive and deductive reasoning. Action arises from desire produced by conviction. Satisfaction—good-will. Summary.

THOUGH suggestion is a powerful agent in promoting decision, it is obviously not the only means of bringing it about. There are times when all of us must use reason, and advertising involves many of these occasions. Suggestion of the pleasure to be derived from riding in an automobile, for instance, may create a desire for a car, but it may be best to use "reason-why" copy in getting the reader to decide to buy one make of auto rather than another.

WHEN TO REASON

In dealing with some commodities, such as the automobile just mentioned, the policy of stressing one idea, and completely ignoring competing ideas, is often dangerous. The use of reason is more effective in such cases. In selling machinery to engineers, for instance, it is necessary to overcome objections by the use of argument. If the objections were to be merely ignored, and all stress laid upon *suggestion,* it would appear that the advertiser was unwilling to meet the issues involved.

As a rule, it is unwise to try to sell a particular brand of commodity by "running down" the products of a competitor. Besides being in poor taste, this may tend to weaken the consumer's confidence in the whole class of articles. As an example, suppose an advertisement stressed the weak points in various makes of automobiles, with the idea of

showing that they were inferior to the one advertised. This would probably lessen the faith of the reader in all automobiles, with the result that he would not be tempted to buy the particular car advertised. Instead of trying to eliminate competitors, by showing that their products are inferior, the advertisement should present positive arguments for the purchase of a specific make or model of machine.

There is an old saying:

"A man convinced against his will
Is of the same opinion still."

This is certainly true when it comes to influencing people's actions in business. Conviction is valuable, however, even though it does not, of itself, lead directly to action. Conviction is useful in impressing things on the memory which may later lead to action as the result of suggestion. When an idea is recognized and believed, it is more likely to be remembered than if it were passed over without much thought.

REASONING STARTS WHEN DOUBT OCCURS

Reasoning is a mental function which is not restricted to receiving impressions from the outside world nor recalling former experiences, but rather organizing these in the preparation for future activity. Many of the fundamental laws of reasoning are similar to those already discussed. Reasoning concerns itself mainly with solving problems—it is used only when we must find our way in a blocked situation under new conditions, or when old conditions need new solution—whether they be mental abstractions or existential experiences.

The process of reasoning always begins with some difficulty to be overcome which we must at first analyze and understand—this constitutes judgment. When the difficulty is understood, we aim to remove it by drawing a conclusion—this constitutes the inference. Finally, we test the con-

clusion and when it works—it overcomes the difficulty—the inference is proved true and further process is possible. Pillsbury[1] tells us that the characteristics of reasoning are as follows:

(1) It is a mental operation that is directed to the solution of a problem, is purposive, not random; (2) the results of the thinking must be a new solution that is accepted as true; (3) the action to which the thinking leads must also be new and immediately adequate; (4) the solution may be warranted, in advance of the test, by reference to general principles of earlier experiences; and (5) the solution itself may be general, that is, applicable to many situations, or it may be particular.

We may add that anything is true for the individual which he is willing to believe. What the individual believes is anything that is in full harmony with his experience. When he meets a statement which is not consistent with his previous experience, he rejects it. There reasoning starts. Doubt is the incentive to all of the formal reasoning processes, while belief makes them unnecessary.

So, when people have problems, they, at times, demand reason. This is the advertiser's opportunity. His function is first to state the problem so that it expresses the doubt in the consumer's mind. He should give the cause of the problem, showing how and why it arises, and what relation it bears to the general subject under discussion. Next follows the solution of the problem, worked out by the advertiser for the consumer, so presented that it will produce conviction.

The housewife is not satisfied with the method of washing dishes in her home, let us say. She wants some easier and more efficient way of doing it. Along comes an advertisement for a new type of dish-washing machine. It first brings her attention to the problem for which it offers solution. Then it explains the evils of the old system of dish-washing, how it often is unsanitary, how it ruins women's hands by the use of hot water and strong soap, and why the house-

[1]Pillsbury, W. B. *Essentials of Psychology*, p. 244. The Macmillan Company, New York, 1921.

wife should adopt a better method. Then the machine itself is presented, with emphasis on its good points, and its superiority over all other methods of washing dishes. Lastly, the copy tells how the machine may be obtained as easily as possible. The advertiser has recognized the problem and taken advantage of it.

EVIDENCE

In business, however, we cannot always determine if our conclusions are true, that is, if we buy the advertised automobile tire that it will wear over 12,000 miles and in that way solve our time trouble—in business we must, instead of personal tests, use other sources of evidence. "Reason-why" copy should therefore be based largely on evidence. Evidence, as used in advertising, may be said to consist of the following:

1. Tests and guaranties
2. Testimony
3. Statistics

It seems generally agreed among students of psychology and advertising that the best kind of evidence is that which the reader supplies from his own knowledge and experience. Tests and experiments performed by the consumer afford him this variety of evidence. Give a man a free sample of tooth-paste, telling him to notice a particular good effect it will produce, and he has a chance to obtain evidence for himself.

Testimony, if it comes from a reliable source, may constitute evidence, as well as prestige material. If an engineer, known for his honesty, integrity, and technical knowledge, says that a certain machine is peculiarly adapted to a specific use, the probability is that the statement is correct.

Facts and figures are valuable evidence, if they are strictly relevant. Records of performance, wearing quality,

Foreign Service Proves Hupmobile's Worthiness

Car is Depended Upon Not Only on Europe's Good Roads, But in Wilds Where There Are No Roads

If any kind of service can bring out all there is in a motor car, it is foreign service of the kind that thousands of Hupmobiles are engaged in every day.

Europe, like the United States, has hundreds of miles of good roads. But where her roads are bad, they are even worse than our bad roads.

Her mountain passes are high and steep They put many a good car to the test.

Our foreign correspondence brings us letter after letter from Hupmobile owners, telling how wonderfully their cars perform on tours across the Alps, how economical and sturdy they are.

But even these severe European trials are mild compared with those which the Hupmobile receives in other sections of the world

In South Africa, and Australia, for instance, are vast distances where there are no roads as we know the term.

And in these lands the Hupmobile is regarded as a prodigy of endurance and reliability

There the motor car is even more of a necessity than it is here

There a still higher value is placed upon those never-say-die qualities which have made the Hupmobile famous everywhere it is known

Photograph by Underwood & Underwood, N. Y.

Fountain of the Virgin at Nazareth, Palestine

Miles from any but the crudest human habitation, even farther from mechanical ability and spare-parts supply, the Hupmobile is depended upon with all the confidence you put in it on a day's tour

A street in Mombasa, Africa, filled with ivory carriers. The huge tusks which they are handling are for shipment to the United States

The Hupmobile merits this confidence. It has given countless examples of its sturdiness, its wonderful ability to keep on going without repairs and expert care and attention

It is prized by its owners far from these shores for precisely the same abilities which make it prized here at home.

There is hardly a community in the United States but knows the Hupmobile by the good things it has heard of it.

There is hardly a quarter of the world but knows the Hupmobile in the way we know it here, and gives it high regard for the same sound qualities we Americans give it high regard

Hupp Motor Car Corporation
Detroit, Michigan

Hupmobile

Figure 32: The use of "evidence-reason" to produce action *(See page 331.)*

To guard their digestions

and give them the foods they like, too.

More intelligent cooking—this is a subject in which most American mothers are vitally interested

Isn't it true that you put more into your foods than mere ingredients? Do you not put motherly thought into the *selection* of the ingredients—to insure wholesome digestibility for your boys and girls?

That many children still need such care is shown by the published report of a benevolent society which says: "The 35 per cent of undernourished children in Chicago were found equally in the homes of the poor, the well-to-do and even the wealthy. Great benefits would follow *more intelligent cooking*."

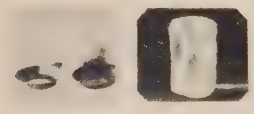
While little Eskimo boys and girls may digest, in heavy form, the fat which is essential to all of us, intelligent American mothers recognize that civilized little stomachs are not so ostrich-like

In the home where the mother has seriously considered—"What cooking fat is best for my children," you will generally find Crisco. For women seem instinctively to appreciate the healthfulness and *digestibility* of this *vegetable* shortening

Yes, Crisco costs, during an average week's baking and frying, a few pennies more than do most cooking fats But thoughtful mothers would no more deliberately choose cheap, indigestible shortening than they would deliberately choose inferior milk

And mothers often write, too, of the pleasurable pride they take in their delicious Crisco results They find that Crisco cakes are light and tender and stay fresh longer, that Crisco pies have such flaky crusts, that Crisco browned foods so quickly that the fat cannot soak in

Crisco is sold by grocers in small, medium sized and large cans. Made and sold in Canada, too.



Two Simple Home Tests!

Avoid Smoke and Odor!

Put into separate pans equal amounts of Crisco and any other fat. Heat slowly for eight minutes, or until they reach a temperature where a bread crumb browns in 60 seconds

Notice that the Crisco, unlike most cooking fats, does not smoke at the proper frying temperature

You will find that frying with Crisco will be very helpful in keeping your whole home fresh and free from the odor of cooking fats.

Low Melting Point Easy Digestibility

Into half a glass of lukewarm water drop a small lump each of Crisco and any other shortening. With a teaspoon gradually add hot water until Crisco melts. You will find that few other fats melt at this point. Food authorities say that an easily digested fat should melt into body heat—98½ degrees. Crisco you will find, melts even below this temperature—in melts at 93 degrees. (This test does not necessarily condemn the digestibility of the other fat, but it will lead you to establish Crisco's fine digestibility.)

Copyright 1921 by The Procter & Gamble Co., Cincinnati

Gold Cake

½ tablespoonfuls Crisco
½ cupfuls sugar
cupfuls milk
6 yolks of eggs
1 cupfuls flour
½ teaspoonful salt
3 teaspoonfuls baking powder
½ teaspoonful lemon extract

Cream Crisco and sugar together. Beat egg yolks very light and add to creamed mixture. Add dry ingredients, milk and lemon extract, and mix well. Turn into a small Crisco'ed and floured cake tin and bake in moderate oven forty five minutes.

Sufficient for one small cake

To borrow "A Calendar of Dinners," containing 365 recipes and 365 dinner menus, send 25c to The Procter & Gamble Co., Cincinnati, Ohio, Section K 11 Dept. of Home Economics.

For delicious cakes which stay fresh longer
For flaky and digestible pastry
For wholesome digestible fried foods.

Digestible Vegetable Shortening

Figure 33: The use of doubt and tests to produce conviction and action (*See page 331*)

and the like, may indicate actual reasons for the use of articles. These should be specific, however, or they do not have strong significance. It is not so forceful to say, "One large company uses our trucks and gets along with fewer than the number of horses it used to have" as it is to state, "Smith Brothers are using 10 Simplex one-ton trucks where they formerly used 20 horses and wagons to do less work." Figures 32 and 33, on pages 329 and 330, illustrate the use of evidence in advertising.

WHAT TYPE OF REASONS ARE BEST?

In offering solutions for problems, the advertiser must carefully select the reasons he uses to support his argument. Some of the important guiding factors in the selection of these are:

1. The reasons must be definite and specific. If they are too general, they lose their force.

2. Reasons must not be overstated. Overemphasis often does more harm than understatement.

3. Reasons must give the impression of being true and believable. Do not try to give the reader too much of a surprise, even though the material is novel in itself. If the statement is too odd, it will take so much effort to convince the consumer of its truthfulness, that the effect will be weakened.

4. Reasons should be good selling points. If an automobile manufacturer contends that his pleasure car is the best one for the average city owner, because it is the fastest stock car on the market, he is not emphasizing a worthwhile selling point; the driver would not be able to take enough advantage of the speed qualities of his car, to make it worth while to own an automobile to develop a speed four times the maximum allowed in town limits.

5. Reasons should be relevant. The fact that a man had been successful as a brewer would not be a direct in-

dication that, since prohibition went into effect, he could manufacture better chocolate bars than anybody else, for instance. Often when reasons are relevant, the mistake is made of not showing *how* they are relevant.

6. Reasons should not be directed to bring about one, and only one, rigid program of action. That is, *some opportunity for free choice should be left the consumer,* in order to make his decision seem spontaneous. In advertising automobiles, for instance, it may be wise to argue that a certain make is the only one to buy, but only to suggest that the buyer may select any model he desires—touring, sedan, coupé, town car—as his taste dictates. If the advertiser supplies the reasons and conclusions, then he obviously takes away the individual's free choice, he hesitates to accept it. It is always wise, therefore, to allow the consumer somewhat of a choice of details.

7. Some *differentiating* reason should be used in an effective argument. That is, some reason which applies to no other article should be offered to prove the superiority of the product advertised. Horses, for instance, are all alike in many ways. Race-horses, however, are distinguished in numerous ways from the general class of horses. One race-horse in particular is distinguished from all other race-horses by the fact that he can run a certain distance faster than any other horse. So it is with advertising a particular brand of commodity. All makes of the article, in general, have reasons in common why people should buy them. The reasons which are most effective in convincing the consumer to buy the particular brand advertised are those possessed by that one brand, and no other. It is, therefore, wise for the advertiser to study the reasons why people should buy his commodity, and to emphasize the selling point or points which support his particular product above all others. For example the Yellow Cab Company of Chicago advertises the fact that it is the largest taxicab company in the city, therefore it can give the best service; having many cabs

they are prompt; having a large organization they have the best experts pick their drivers by scientific methods, therefore they are "safe."

INDUCTIVE AND DEDUCTIVE REASONING

Logical reasoning is of two varieties, inductive and deductive. The inductive proceeds from the specific to the general, and the deductive from the general to the specific. When we discover that a principle holds true in a large number of cases, and never fails to hold true in any case observed, we accept that principle as true. This is inductive reasoning. In deductive reasoning we take a law which is recognized as true, apply it to a particular case, and reach the conclusion that the case holds true also. An example of deductive reasoning is found in the *syllogism,* a form of logic such as this:

All men are mortal (general law).
Socrates is a man (specific case).
Therefore Socrates is mortal (conclusion).

These simple principles of logic, so briefly outlined, are of great importance in advertising. Suppose a piece of publicity for a certain make of automobile gives instances of how its stock cars have won five endurance races, and infers from these five cases that the car under consideration is the best on the market. It is at once evident that not enough proof is offered to support the generalization that this is the best automobile. The car may have failed to qualify in fifty races, and another make may have won infinitely more tests. The reader of advertising will do well to analyze "reason-why" copy to find *whether or not enough cases are cited to prove the conclusion, and whether or not there are any exceptions to make the conclusion wrong.* This will enable him to detect hasty generalizations—that is, saying a thing is so because a few experiences point that way.

In deductive reasoning, the aim of the reader should be to make sure that the main premise is true, and that the specific case observed falls properly under the main premise, before he accepts the truth of the argument. Suppose the essence of an advertisement is, "If you want to get well, take Dr. Dinsmore's Pills." The argument inferred here is:

> Dr. Dinsmore's Pills make people well.
> You take Dr. Dinsmore's Pills.
> Therefore you will get well.

When so arranged, it is not difficult to see the flaws in the argument. In order that the syllogism would be true, the first premise would have to be that Dr. Dinsmore's Pills *always* make *all* people well. As the statement stands, there is no proof that the general premise is true, nor that the specific case comes under the general rule.

The advertiser should see that his "reason-why" copy will stand the application of logic, if it is to be really effective. If "reason-why" copy is to be used, it must stand the test, or it is apt to do more harm than good by giving the appearance of intended deception.

ACTION ARISES FROM DESIRE PRODUCED BY CONVICTION

Our study of conviction leads us to the statement that *action follows when conviction produces desire.* As we have discussed the psychology of desire in previous chapters, we shall not take it up again at this time. The "desire" with which we deal here may be termed "secondary desire." It is not the type of desire which we might consider synonymous with fundamental need; it is rather a desire for the article offered, as a solution for the satisfaction of a fundamental need. Suppose, for instance, that a man wishes to be amused. We may say he experiences fundamental desire or *need.* He sees the advertisement of a particular moving-picture theater. He gets the notion that the picture will amuse him, and he wants to go to the place advertised.

The latter is the type of desire with which we are concerned at present, and the word will be used with that idea in mind.

We cannot directly create a desire for a particular commodity without going through several intermediate steps. After conviction is established that the article will satisfy a fundamental need, *then* the desire for the article *may* follow. There may, of course, be conviction and yet no *desire,* or even conviction and desire, and no *action.* The advertisement must not aim at conviction alone, as conviction does not produce action if desire is not aroused. Desire will not cause action, if it is not strong enough to overcome the competing ideas present. Create strong desire, and action will take care of itself if no great hindrances are offered to it.

Let us review for a moment the steps in the development of desire. After all, the main object of advertising is *the development of desire* for the commodities advertised. This whole section on advertising is intended to show how desire can be developed by the application of a few of the principles of psychology. If this has been accomplished, our efforts have not been wasted.

First, we attract attention. Then we secure interest. We relate the fundamental desire or need to the particular object advertised, and produce conviction. Then we create images, such as seeing one's self enjoying the use of the object. If these images are pleasant, the greater the desire for the object. We must call up vivid images of past experiences and, perhaps, relate them to new experiences. These strong ideas or images lead to action, because we have aroused imagination, and movements toward possession of the object are the center of imagination.

Pictured or imagined possession of an article brings almost as strong satisfaction and feeling of pleasantness as does actual possession. In order to retain this feeling of pleasantness, however, it is necessary for the purchase to take place. Action results because we do not like to have the feeling of pleasantness disappear.

The movements toward possession, produced by imagina-

tion, must be possible, of course, and the easier it is for them to take place, the more likely they are to happen. If the advertising has been of the right sort, it has removed as many of the barriers to action as possible.

SATISFACTION—GOOD-WILL

So much for the arousal of desire which culminates in buying. The advertiser should remember, however, that the article for which he develops the desire in the consumer should actually satisfy the desire he has created. It should give, to a large degree, the feeling of pleasantness pictured, if constant good-will toward the commodity and the manufacturer are to exist. Honesty is the best policy, in advertising as well as in other fields.

SUMMARY

The greater part of the space in this final chapter on advertising was devoted to the production of conviction through reason. Suggestion has its place, but when one meets elements which are new to one's experience or contrary to it, doubt arises, and reason becomes necessary in the solution of problems. Here again decision is the final outcome of the rivalry of ideas. Evidence determines which is the stronger idea. Reasoning is of two types, inductive—from specific to general—and deductive—from general to specific. The application of formal logic will often reveal fallacies in advertisements.

The last two steps in advertising are not passed over so rapidly because they are unimportant, but because the way has been prepared for them by the previous steps. If conviction has been properly gained, with the object of producing desire, the latter inevitably follows. If desire is strong enough to overcome competing ideas and physical circumstances, action follows.

The last item of importance in this section on advertising

is that after the consumer has actually bought the article, it should satisfy the desire created by advertising, or the full purpose of advertising has not been realized.

This completes our discussion of the psychology in advertising, one of the most important factors in marketing.

Problems

XIII—1, 4, 12-16, 23, 25, 35.
XV—1, 3, 5, 7, 27, 38, 60.

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PSYCHOLOGY IN BUSINESS RELATIONS

PART IV

PSYCHOLOGY IN SELLING

A. Retail Selling

XX

THE CUSTOMER

Introduction. Agencies involved in retail sale; the customer, the salesperson, the store. The customer as a general type. The customer as an individual. Judging customers. General classification of customers; the amount of thought they give to selection; the care they use in selection; the number of things they must have to pick from; their knowledge of the market; standards used; other qualities. Function of the customer. Methods of satisfying need. Summary.

Our first observation in the field of selling will be the retail store. Practically every normal individual in the country has had some experience of buying at a retail store. This is another field where non-experimental knowledge stands practically alone, however; the psychologist has not devoted enough attention to the problems of the retail store to be recognized as an authority in the business.

Yet psychology has something to offer the retail merchant. Psychological principles are surely as important in selling as they are in advertising and personal work, where the science is becoming generally recognized. So little experimental work has been done in retail selling from the standpoint of psychology, that the grocer and the butcher and the dry-goods merchant have been but slightly affected by it. There are, however, certain long-established general principles of psychology which concern the retailer, and which he ought to recognize. The purpose of this book is to emphasize these laws as they apply to the subject at hand.

Numerous angles of approach might be employed in the study of retail selling, but here again our observations are limited to the field of psychology. The problems of economics, for instance, important as they are, do not interest us, at present, but only in so far as they have a psy-

chological basis. It is with this fact in mind that the definition of the purpose of the retail store is given.

The purpose of a retail store is to sell goods to the individual, to his satisfaction, and to the mutual profit of the store and consumer. This statement appears, at first, to be so simple and evident as to be superfluous. As a matter of fact, it involves most of the principles we have studied in the preceding parts of the books. The particular principles which demand emphasis are those used in helping the buyer to become conscious of his need, and in giving advice as to the satisfaction of the need.

As an example, there is the ladies' hat shop. Its purpose, from the standpoint of psychology, is to help women to become conscious of their need for hats, and to satisfy the need by selling them hats they like, and will continue to like after they have bought them.

AGENCIES INVOLVED IN RETAIL TRADE

A retail sale is participated in by the following interesting agencies, each of which will be studied in detail later on:

1. *The customer.* It will not be necessary to go into detail here, because we have studied the "nature of man" in Part I. The retail customer is a human being and, as such, we already know his principal forms of behavior and the means by which this behavior is influenced. What we shall do here is to examine him in his relations to the retail merchant as he appears in two rôles, (*a*) an individual, (*b*) a social product. The salesperson must realize that every customer possesses certain traits as the result of general social environment, and that he also has his own individual traits. Much of the success of the sales depends on the proper knowledge and application of this principle.

2. *The salesperson.* The salesperson is also a human being and what is true of human nature in general applies to him. He has a particular function in his connection with the

sale, however, just as a physician or an attorney has a "professional personality" and a "private personality." It is the "sale part" of the salesperson's make-up with which we are concerned.

3. *The store.* The store itself is an important psychological factor in the retail sale. The physical equipment of the store, the building, furniture, show-cases, arrangement, stock available, and all such details, are important from the point of view of science. Then, there are the more "intangible assets" of a store, which are equally as important—the store policy, its good-will, and the like.

THE CUSTOMER AS A GENERAL TYPE

It is, perhaps, most convenient to first study the customer as an abstract type. We say *the* customer, meaning, the typical customer, in distinction from *a* customer, the individual. Types differ greatly, just as do individuals. The Fifth Avenue customer is not the same in his buying as is the Bowery sort. The fundamental needs of both are much the same, but the secondary desires differ greatly in the two classes of consumer. Both need food and clothes, for instance, but the kinds of food and clothing they buy are vastly different.

One of the main characteristics of *the* customer is that he is impersonal. In studying him we have only those general features of his characteristics which—in the abstract—exist in the great majority of individuals, leaving out those which are strictly personal. In planning the operation of his business the merchant must study the impersonal customer, if he is to please everyone who might buy at his store. The second characteristic of the customer is that he exists in a mass, and that the appeal of the store is, in a sense, a mass appeal. The customer is widely distributed, that is, he is to be found in different parts of the city. If the store is in a small town, he lives east, or south,

or in the town itself. The appeal of the store must therefore be wide spread.

The group of customers, as it comprises a type, has a non-existential "personality" all its own. The group has its characteristics which distinguish it from other groups. It is known by its physical attributes, as well as its physiological, economic, political, psychological, social, aesthetic, ethical, and religious aspects. The Fifth Avenue type, mentioned a moment ago, differs from the Bowery type in most of these aspects. Again, one type may consist entirely of women and another of men.

THE CUSTOMER AS AN INDIVIDUAL

For the salesperson each customer has *individual personality,* however, regardless of the importance of types. The salesperson, who makes the actual contact between customer and store, is more concerned with individual personalities than is the management, which is directing its appeal to the public in general, or to some special class. The management of a large department store, for instance, sees to it that certain types of people are attracted to its place of business. Let us say that the particular store in question wishes to sell to the people of moderate means. The intent is to do a large volume of business with a special class of people. The management brings this type of person to the store, not the wealthy, nor the poor, nor the buyer with odd and "freakish" taste, but the average middle-class citizen who wishes to buy good quality merchandise at a reasonable price. This limits the number of types which the clerk must judge. Deciding what type the customer belongs to is not then so important as finding what kind of an individual he is.

Though all human beings exhibit much the same qualities, every individual differs in some way from every other individual. The difference is not mainly in the qualities, but in the way they are combined. It is the duty of the salesperson

to acquaint himself with the *individual* characteristics of the prospective customer, in order to adapt his appeal so that it will be most effective. In fact, it is dangerous for the salesperson to get into the habit of classifying customers too much according to type. If the clerk immediately thinks, "That man is a grouch" and treats him as a typical chronic grouch, he may be entirely wrong. Under another set of conditions the man might not be grouchy at all. Perhaps the man's stomach is upset that morning, or he has suffered several disappointments. If the clerk is cheerful, and succeeds in interesting the man in a particular article, the grouch may entirely disappear—at least for the time being. *If the clerk notes the individual characteristics of customers, instead of classifying them according to types and treating them as such, he will be more certain of success.*

The qualities for which the salesperson looks are not always the same. *Clerks in different departments watch out for different characteristics.* The young lady at the perfume counter, for instance, is interested largely in the aesthetic tendencies of customers, while the man in the grocery department selling potatoes looks for the more practical attributes.

JUDGING CUSTOMERS

While it may be possible to judge general human qualities, we are not, as yet, ready to say how the many behavior signs are to be interpreted. Some writers think it is possible to give general rules and formulas for passing upon customers.[1] The difficulty with such judgments is that one cannot tell the exact reason for a customer's action and is, therefore, likely to proceed on an entirely wrong assumption. When a man decides to take the more expensive and fashionable of two suits, for instance, it is difficult to tell

[1]For instance, Charters, W. W., *How to Sell at Retail*, chaps. iii-ix, Houghton Mifflin Company, Boston, 1923, and Ivey, P. W., *Elements of Retail Salesmanship*, chaps. v and vi, The Macmillan Company, New York, 1923.

exactly why he took that one. *It is dangerous to use judgments derived from that experience alone in judging other customers.*

It is true, however, that, *by process of trial and error,* a salesperson of long experience may be able to judge personality traits with some accuracy. Most reliable judgments are made as the result of observation of customers' habits and prejudices. Much can sometimes be told by the movements and expressions of the customer. If he walks up to the counter, erect, as if he were going somewhere, lacking the "far-away" expression which indicates pondering or indecision, he is obviously of a different type—at this moment—from the man who saunters into a store and casually glances over the stock displayed. The experienced salesperson has learned to interpret these signs with a fair degree of accuracy, and to know how to handle the individuals as they come.

Another of the elements to which the efficient salesperson pays attention is the conversation of the customer—what she says, and the way she says it. The woman who employs "pretty" speech—pleasing and precise language—is obviously of a different type from the woman who indulges in slang and bad grammar. It is not possible to give exact rules—in the abstract—as to how these signs may be interpreted, however.

The really important factor in the judging of personality traits by behavior signs lies in the interpretation of movements, expressions, and conversation, in terms of the salesperson's experience. *The study of the customer should continue throughout the sale,* instead of simply being a process of estimating at the beginning of the transaction. New characteristics and tendencies become evident as the sale progresses. The salesperson's judgment as to type should be added to, and modified, by each new discovery of concrete individual reaction.

It may some day be possible—but it is hardly probable—that we will be able to "read character"—that is, to class

people according to personality traits—by facial characteristics, the size and shape of their heads, and similar attributes, but at present we do not know of any system which makes it possible to recognize accurately very many of a man's individual characteristics, in the short time allowed by the average retail transaction.

GENERAL CLASSIFICATION OF CUSTOMERS

There are certain elements, which should be observed by the salesperson, however, and these may serve as fairly accurate criteria by which customers may be judged according to type. We must remember, however, that individuals are never perfect types, consequently, any group classification must be abstract and artificial; nevertheless, it may be of some suggestive value. The following is only a rough list, and must not be regarded as a set of rules, but only as a group of ways in which customers may be classified according to the tendencies they exhibit.

We may classify customers according to

1. *The amount of thought they give to selection of goods.* There are three main groups of people according to this criterion, (*a*) those who make up their minds quickly, (*b*) those who take a long time, (*c*) those who never make up their *own* minds, unless the salesperson helps them to do it. It is important for the clerk to recognize these characteristics, in order to give persons of the second type long enough to make up their minds without interference, or to help those of the third class to decide what they want.

2. *The care they use in selection.* Here there are also three main types, (*a*) those who are careless and will take almost anything, (*b*) those who are cautious and want to be sure they have the "right" thing, (*c*) those who are indifferent to some attributes or qualities, and particular about others, as, for instance, the person who cares little about the style of his shoes, but is very particular about their color.

The salesperson must see that the first type of customer does not take the goods which it is evident will not satisfy him in the long run, and which he can be expected to return as soon as he discovers the fact. Care must be used in seeing that the second type of customer has an opportunity to examine the stock and pick the thing he wants. With the third type, the salesperson must find what qualities the customer is so particular about, and try to please him by those methods of judging goods.

3. *The number of things they must have to pick from.* Some people know what they want, and will take the article they desire whether it is the first thing shown or the last one. Some customers feel they must see everything in the store before they can make a choice, or they might miss the very article for which they are looking. It is obvious that, at times, it might be well for the clerk to spread out as much stock as possible, and leave the customer to decide for himself. The important thing is to know when to do this.

4. *Their knowledge of the market, or of the goods they are seeking.* Some people possess a thorough knowledge of the general market condition and the commodity they wish to buy, and do not like to have the salesperson give them too much general information. If a customer makes a statement, or asks a question which indicates that he knows the goods, the salesperson can best aid him by making specific statements about the points he knows to be important, and letting the customer draw his own conclusions. If the customer shows that he does not know the goods, either by admitting it, or by incorrect statements, or poor judgment, the clerk may do well to give more definite advice, and talk less about the technical points involved.

5. *What standards they use in judging commodities.* Some customers shop largely according to *price*. They may have found that an article of certain price suited them and,

accordingly, they continue to buy at that price. Or they may not be able to pay more than a certain amount for an article. Other people judge largely on *quality*. Either they believe that it is best to get the highest quality, price being secondary, or they have so much money that they need not worry as to the price. Some customers buy according to *appearance*. If they like the looks of an article, they purchase it, regardless of other considerations. Still others shop for an article according to the prestige it bears. They may buy any commodity which is well advertised and made by a reputable concern. Here, again, the salesperson must find what standards are used in the customer's judgment, and adapt his appeals accordingly.

6. *Other qualities*. People, at times, are nervous, friendly, stingy, wasteful, grouchy, vain, suspicious, talkative, unreasonable, pleasant, and so on. It is well to find out these characteristics as early in the sale as possible, or to take advantage of them if the customer is an old acquaintance. It is dangerous, however, to judge individual characteristics too rapidly and decisively, just as it is to relegate them too quickly to type. Yet each characteristic calls for a different method of treatment on the part of the salesperson, and must be noted as accurately as possible.

As a matter of fact, no large number of people fall exactly into the classes just mentioned. These extremes are mentioned for the purpose of emphasizing certain traits of human nature, which exist to a *greater* extent in some individuals than in others. Most people, for instance, are neither extremely careless nor very cautious in buying. The salesperson may profit considerably, however, by the use of this sort of diagnosis, if he uses it carefully and allows each new experience to add to, or modify, his method of handling customers.

The chief danger in any method of "sizing up" customers comes through the process of hasty generalization. The tendency is to make dogmatic assertions on the basis of too

few cases. The systems of phrenology, facial characteristics, handwriting, and so forth, are largely unreliable.

FUNCTION OF THE CUSTOMER

Some idea of the function of the customer in the sale has been given in Part I. Bearing in mind the "nature of man," as discussed some time ago, let us examine this function of the customer as it relates to the subject at hand.

We know from our previous discussion that the consumer, from time to time, feels a *need,* that is to say, he has general wants and desires which demand satisfaction if he is to be satisfied. Accordingly, he has a problem—how to satisfy his want, need, or desire. This problem may appear in several forms, such as the following:

1. Sometimes he knows exactly how to satisfy his wants, usually as the result of experience—personal or vicarious. Then his problem is to find the thing which he knows will satisfy the want. For example, in the following report of a sale, the salesperson had to find out what was wanted by listening to the customer's comments:

I wandered around looking at first one hat, then another, for almost five minutes. Finally, as I was standing in front of some hats with scarfs to match, a saleswoman approached.

SALESPERSON—Something, lady?

CUSTOMER—I'd like something in a brown sport hat.

SALESPERSON—Nice hat (*indicating hat with scarf*).

CUSTOMER—Yes, but I have a scarf. I wish just a brown sport hat.

SALESPERSON—(*picking up a real light velour hat beside her and handing it to me*) Sales special.

CUSTOMER—I'm afraid that is so light it would soil too easily.

SALESPERSON—Good velour.

CUSTOMER—(*looking at the hat and putting it down*) I'd like something darker than that. A dark brown would be all right.

I stood there about a minute; so did she. Then since she volunteered nothing I walked to a show-case and showed her a hat like one I'd like. She took it out, handed it to me without a word.

CUSTOMER—(*looking at the price tag $22.50*) I'd like something not so expensive.

SALESPERSON—(*without a word, handing me another*) $13.50.

CUSTOMER—I don't want to pay over $10 for a sport hat.

SALESPERSON—That's all.

I walked slowly around, found some hats like those with scarfs, only these were sold separately. I asked if they came in a darker shade of brown.

SALESPERSON—No.

Again I stood in front of the light velour hat; she handed it to me although I wasn't even looking at it.

SALESPERSON—Nice hat.

CUSTOMER—Yes, but it is too light (*partly turning, I noticed a dark brown hat which I picked up*). That's just what I wanted.

SALESPERSON—That's the hat I've been looking for.

I tried it on, although she made no suggestion of doing it at any time, and said I would take the hat. She went for her book.[1]

2. Sometimes he feels a definite need, but does not know how to satisfy it. For example, he wants to look well, especially to have a good complexion. His problem then is how to get a good complexion.

3. At times, the need may be very hazy or undefined. The prospective customer does not know what he wants, nor where to go for it. He may feel restless and go out for a walk, finally attending a theater, or going somewhere for refreshments, or availing himself of any one of numerous diversions. A customer in this mood is often hard to please, but may be a good buyer if the salesperson can help him to define his need.

4. A need may not come into existence until the customer has been in a store and has seen something that attracts his attention. Turning his attention to an article may

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 68-69. A. W. Shaw Company, Chicago, 1924.

make the customer conscious of the need he had not previously noticed, or it may develop a need, want, or desire.

METHODS OF SATISFYING NEED

The method of solving these problems of need, want, and desire differs greatly in regard to various customers and situations. That is to say, the same customer may satisfy his need by responding to one appeal in one situation, and to another appeal under a different set of circumstances; or several customers will satisfy their desires by responding to different appeals, under the same conditions. Among the points on which the responses of customers vary, are:

Durability	Quality
Comfort	Price
Fashion	Social standards, such as prestige of store and goods.
Beauty	

The important thing about the customer in the sales situation is not what method is used, but whether the desire is actually satisfied. If the problem has actually been solved, the customer must feel a satisfaction—he must have some sort of feeling of pleasantness. A good sales situation has three elements, (1) a real need or want, (2) a solution, and (3) satisfaction. If the need proves superficial, or the solution does not bring satisfaction, the sales situation is imperfect and a feeling of unpleasantness will follow.

SUMMARY

This chapter has introduced us to retail selling. The purpose of the retail store is to sell goods to the consumer, to his satisfaction and to the mutual profit of the store and the consumer. There are three agencies in a retail sale:

1. The customer
2. The salesperson
3. The store

We learned that, so far as the store is concerned, the customer is impersonal and is treated according to type, but that, for the salesperson, he is individual and personal. The salesperson becomes able to "size up" customers through long experience, rather than by any definite system of classification.

The function of the customer in a sale consists in his feeling a need or want, and in purchasing an article or a service which brings satisfaction of the want. This concludes the discussion of the customer. The next chapter will deal with the salesperson.

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XXI

THE SALESPERSON

The function of the salesperson. Analyzing the customer. Attributes of the successful salesperson. The value of auto-suggestion. Knowledge of merchandise. Knowledge of stock. Knowledge of the market. Summary.

Ask a salesgirl in a department store what her function is, and she will probably say that she is there to sell customers the things they want to buy. The psychologist, however, goes a bit more into detail and suggests that the function of the salesperson is to define and intensify the customer's need, and to control the means of its satisfaction.

A similar idea was introduced in Part I. Several methods of control were explained, and in order to recall them they are outlined here.

1. Immediate factors
   - (*a*) Impulsive
   - (*b*) Habitual
   - (*c*) Conflict between ideals and ambitions and the *immediate* purpose

2. Remote factors
   - (*a*) Ideational
     - (1) Association
     - (2) Memory
     - (3) Imagination
     - (4) Rational or volitional
   - (*b*) Economic conditions
   - (*c*) Conflict between ideals and conditions

We learned in the previous chapter that when a customer comes to buy he has a problem to solve—a need to satisfy. The salesperson must first be able to define the need. Customers often ask for things they do not really want, because they do not *know* how to satisfy their desires, or, at

times, what they desire—they may have just a general feeling of want. If the salesperson realizes that the customer will not be satisfied with what he asks for, it is the duty of the former to find what the need or the desire of the latter actually is.

It is often possible to find out what the need really is, by suggesting several articles which might solve the problem, and noting the customer's reaction to the suggestions.

In addition to defining the need, the salesperson must know the various methods of satisfying it. He must be able to guide, or suggest a reasonable satisfaction, when he knows what the need is. The customer may know what commodity he desires, but not what quality he wants, or what price he ought to pay. To use a more obvious example, suppose a man approaches a saleslady with a request for linen hosiery for his wife. The saleswoman knows that there is no such thing as linen hose—in her store, at least—and tells the man *why* stockings are not made of linen. Then she is in a position to suggest what the man ought to buy.

In order properly to carry out his part of the program, the salesperson must possess the following "tools," each of which will be discussed in some detail: (1) knowledge of how to "size up" the customer, (2) knowledge of goods, (3) knowledge of stock, (4) knowledge of market conditions.

ANALYSING THE CUSTOMER

Because many customers do not know what they want, and the salesperson must define the need, it is usually necessary for the clerk to "size up" the customer before he can proceed intelligently with the sale. As the goods are shown, and conversation progresses, the needs of the customer, and the standards he employs in satisfying them, become more and more evident. Too often, salespersons make the mistake of trying to force customers to adopt the salesperson's standard of judgment. It is the *customer* who has to be satisfied, not the salesperson, and the cus-

tomer must employ his own standards to do this successfully.

Suppose, for instance, that a woman is buying gloves. She is well-to-do financially, and wants gloves which are in good taste and, incidentally, of the latest style. She is ready to pay a high price for gloves even if they do not wear well nor remain long in fashion. The salesperson knows that she has, in stock, numerous other gloves which offer much better value for the money, but it would be foolish for her to insist that the lady take the moderate-priced ones. The salegirl's standard happens to be one of price, and the customer's one of style. The customer's standard is the one which must be used here, and the high-priced gloves will be sold.

Several paragraphs in the last chapter were devoted to methods of analysing personality traits in customers. The emphasis was placed on the importance of reflecting on past experience in observation of characteristic reactions of customers to typical situations, rather than on diagnosis according to facial or what may be irrelevant physical characteristics. It is by observing how people possessing certain qualities *react to specific situations, instead of "judging character" by noting how the individual walks, talks, dresses, and so on,* that the salesperson becomes able to handle customers most efficiently. As, for example, in the report of the following two sales:

SALE 1

A carefully dressed woman walked in with an air of one who knows exactly what she wants.

CUSTOMER—I want to look at baby dresses.

Having noticed the hand-made collars and cuffs on her own dress, I knew better than to offer her some of the ordinary dresses with machine lace that we were selling for $1.25, so I brought out hand-made dresses of varying prices.

CUSTOMER—(*indicating one I had shown her*) Have you this dress in a one-year old size?

We did not, but we did have one with a slightly different design on the collar.

SALESPERSON—No, I am sorry (*being sure she would notice the difference*). But here is one with a slightly different pattern on the yolk. Do you like this one?

CUSTOMER—Yes. It's really just as pretty. Please send it and see that I get that special one.

SALESPERSON—I will take care of it right now.

SALE 2

SALESPERSON—(*to extremely dressed customer*) May I show you a sweater?

CUSTOMER—Let me see the best looking new thing that you have.

SALESPERSON—(*showing tan, grey, and blue coats and jacquettes*) These are the newest styles; just in the store this week. They are the advance styles our buyer sent on from New York. This is the brushed Angora and this is the camels' hair.

CUSTOMER—What is the best style of these?

SALESPERSON—The brushed Angora. All the really smart sweaters are of that material. It is lovely quality and very soft and comfortable. This is the style that was shown in our style show.

CUSTOMER—Oh, is that so? Well, show me something I can wear with a red skirt. I bought a white-and-red checked skirt in San Francisco and I want a sweater for it.

SALESPERSON—Let me show you an all white, in the heavy brushed Angora (*showing a very extreme model*).

CUSTOMER—How much is it?

SALESPERSON—$23.50: a very smart and up-to-the-minute style.

CUSTOMER—(*trying it on*) I think that very nice looking. How many do you have like this?

SALESPERSON—Another only, in the misses' size. You will not see any more here in Denver. This is an exclusive line.

CUSTOMER—Well, I'll take it; send it to Miss Alice Light, 1122 Race, and charge to same.

SALESPERSON—I am sure you will enjoy wearing it; I thank you.[1]

[1] Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 33, 36-37. A. W. Shaw Company, Chicago, 1924.

ATTRIBUTES OF THE SUCCESSFUL SALESPERSON

Patience is undoubtedly one of the greatest assets possessed by the successful salesperson. If the clerk exhibits annoyance or temper, he not only loses his best opportunity to study the customer, but he causes changes in the personality of the customer which tend to inhibit his buying. Patience and temper are not entirely inborn characteristics—they are largely attitudes assumed as the result of habit. At first, the salesperson will have to maintain consciously an attitude of patience and self-control, but, as the attitude becomes habitual, it is not so difficult to remain self-composed.

Much of the development of the qualities desirable in the salesperson depends on the *interest* he has in his work. In the section on advertising we learned that attention follows interest. We know that in order to acquire good habits, we must first pay attention to desirable processes and go through them consciously. The more attention paid to a fact, the more easily it will be recalled later on. So, interest must be secured if attention is to be held, in learning to sell, as well as in anything else. Interest in one's job calls attention away from the monotony and drudgery of working in a store. Properly directed interest thus makes everyone concerned more happy and efficient.

There are naturally many ways in which the salesperson is able to develop interest in his work. (1) Studying the reactions of customers, to see if one's predictions as to human characteristics hold true, is one of the best methods. (2) Then, there is the personal interest in one's customers, though of course one must not be too personal with them. (3) A study of the evolution, the process of manufacturing, the qualities and grades of the merchandise he sells. (4) Getting a knowledge of one's stock, and of the market in general, is not only valuable in itself, but also an important factor in developing interest. (5) The salesperson who endeavors to find out as much as possible about his

job, and about the store in which he works, is bound to be a better and happier employee than if he took no interest in his daily toil.

THE VALUE OF AUTO-SUGGESTION

In Part III we learned something of the power of suggestion. Later on we shall see how the salesperson uses suggestion to get the customer to buy. At this time it may be wise to add a word as to the manner in which the salesperson may use suggestion on himself, to make him a better and happier employee of the store.

We have learned that any suggested situation tends to produce movements calculated to handle that situation. This may be interpreted to mean that, if the salesperson thinks of being happy and pleasant, there is more probability of this state being realized than if unpleasant details occupied consciousness. The person who thinks of being cheerful, and takes interest in his work, with the prospect of success and promotion, is more likely to get ahead than the man who focuses his attention on the drudgery of his work, the long hours, and the low pay.

KNOWLEDGE OF MERCHANDISE

In these days of sales specialization, in the large stores at least, each salesperson sells but a few articles. This gives the salesperson opportunity to concentrate on the line of goods he handles and, thereby, to become quite familiar with it.

Selling neckties day after day, for instance, he soon comes to know more than most customers do about neckwear. He may even go so far as to look up the *history* of neckties, to see how they originated, how they were used in the past, and how they have been changed as time went on. He may familiarize himself with the *present uses* of neckwear, taking pains to know just when to wear a bow and when to wear a

four-in-hand, when to wear a white tie or a black one. The *construction and manufacture* of neckwear are things which he ought to understand, if he is to be fully equipped to sell it.

The neckwear salesman ought to keep track of *style*, if he is to be able to give the best advice to customers. Another thing he ought to know about is the *material* from which neckwear is made, what gives the best wear, and what looks best. He should pay attention to the *finish* of the cloth and the *workmanship* displayed. He should of course know his *stock*, what kinds of neckties he carries, their suitability to the age of the customer, and the *price* of each. Lastly he should know the *market*, what kind and quality of neckwear are being sold by his competitors, and how much they are charging for their products. The qualities mentioned here might be adopted in learning about any line of goods, some changes being necessary, of course, for other commodities.

Many sales are lost because the salesperson was not thoroughly familiar with the merchandise he aimed to sell. For example, the following report of a sale brings out this point clearly:

I entered the department and was immediately approached by a very young girl. This girl was evidently new in the department.

SALESPERSON—Have you been waited on?

CUSTOMER—No. I want to see some Polo Cloth paper.

SALESPERSON—Polo Cloth? Do you know what it is used for?

CUSTOMER—It is a writing paper, a grey novelty style. I want the large single sheets and the large envelopes in a mannish style. I think that is the way it usually comes.

SALESPERSON—It ought to be right here in this section, if we have it. Just a minute (*going over to another salesperson*). No, we haven't any.

CUSTOMER—Well, what do you have in the large single sheets with long envelopes?

SALESPERSON—(*looking frantically through the stock*). Did you want a box?

CUSTOMER—No, I wanted the pound paper.

SALESPERSON—We don't have anything like that. Everything comes with the envelopes in the same box. Just a minute. (*This time the other salesperson came back with her and brought out some ordinary-size paper by the pound.*)

CUSTOMER—I wanted the large single sheets.

SECOND SALESPERSON—Something like this? (*This time the paper brought out was what I originally asked for, under another trade name but the same style of paper as Polo Cloth.*)

CUSTOMER—Yes, this is exactly what I wanted. I shall take a pound of the paper and a package of envelopes.

SALESPERSON—Did you wish to pay for them?

CUSTOMER—Yes, but you may send them.[1]

There are psychological reasons for a thorough knowledge of merchandise on the part of the salesperson. We have already mentioned that getting this knowledge developes interest, and helps to take the drudgery out of work. Learning new things about one's line of goods produces enthusiasm, through a desire to tell other people about the discovery. It is necessary that a salesperson have certain convictions about his goods, if he is to convince customers. The best way for him to get these convictions is through knowing the facts about his line. Knowing his merchandise thoroughly also gives him the self-confidence which he needs to impress others. Is is much easier to give information to customers, if one is well informed and not made ill at ease in trying to explain things with which one is not particularly familiar.

A knowledge of merchandise provides material for the "sales talk." One must know the goods to emphasize the best selling points, and to adapt them to particular customers. A proper vocabulary is a valuable asset in selling. If a salesperson knows his line well, it will not be necessary for her to rely on such terms as "nifty," "classy," "fine,"

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 7-8. A. W. Shaw Company, Chicago, 1924.

"great," "swell," "excellent," and such words of little significance. She can use adjectives which have real meaning. Usually customers do not see which details about merchandise are the important ones. If the salesperson has a thorough knowledge of the commodity, she can easily emphasize the relative strength of various attributes.

KNOWLEDGE OF STOCK

By "knowledge of stock" we mean knowing what brands, qualities, quantities, and sizes of commodities are in the store, and what their price is. Besides helping to develop interest in one's work, it is important for several other reasons, some of which may be classed as psychological, and some in other categories. In the first place, the salesperson who knows his stock saves time. He can find things with a minimum of effort, thus preserving his patience, even temper and energy. He has a sense of satisfaction in knowing he is efficient. As, for example, in the following report of a sale:

CUSTOMER—(*phoning*) I want to talk to someone from the sweater department.

SALESPERSON—This is the sweater department. Can I help you?

CUSTOMER—How much are your sleeveless sweaters?

SALESPERSON—They range in price from $3.95 for woolen ones to $10.50 and $12; and $14 for silk ones.

CUSTOMER—What colors at $3.95?

SALESPERSON—Most all light shades, white and rose or yellow and grey.

CUSTOMER—What do you have in size 42?

SALESPERSON—I can give you grey, blue, or all white at $3.95; orchid at $5; and two styles of all white silk at $10.

CUSTOMER—What styles are the silk?

SALESPERSON—One is an embroidered weave with three buttons and the other plain, striped silk, fastened with a sash.

CUSTOMER—Could you send both on approval?

SALESPERSON—The only way I could do that is to have them sent with instructions to the boy to wait and let you see them and bring the other one back.

CUSTOMER—Well, that's all right. I just want to see them, to be sure of the size.

SALESPERSON—Do you wish them charged to your account?

CUSTOMER—Yes, please. Mrs. E. O. Brown, 1420 South Street.

SALESPERSON—All right, Mrs. Brown. I'll send these right out. Is there anything else this morning? We are having a sale on guimps to wear with sweaters, today.

CUSTOMER—No, I have two lovely new ones my daughter bought me.

SALESPERSON—All right. I thank you; good-by.[1]

If the salesperson is compelled to hunt through numerous shelves to find an article, the customer is likely to lose interest in the commodity, or confidence in the salesperson, before the sale can be completed. A knowledge of stock permits complete service. The salesperson whose knowledge is confined to half the stock can hardly be expected to introduce the whole line to a customer efficiently.

Many sales are lost because of the salesperson's ignorance of the stock on hand. Suppose a man comes up to the collar counter in a haberdashery, views the display in the case, and mentions the general style he prefers to wear.

"I have just the thing," says the salesperson, pointing to a particular style. "It is one of the newer cuts and suits you exactly."

The customer likes the collar.

"Give me half a dozen, size 15," he says.

The salesman looks through numerous boxes.

"Sorry, but I haven't your size. Won't something else do?"

"I am afraid not," replies the customer.

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 8-9. A. W. Shaw Company, Chicago, 1924.

"I'll order them for you, and have them here in a week or two if you want them" suggests the salesperson.

"I may drop in again to get them," says the customer, but goes to the store across the street and gets the collar which the first clerk made him want.

Knowing exactly what is in stock makes it easier to suggest merchandise to the customer. If the stock is large, a number of articles or brands may be suggested; if it is small, the choice is limited, and the suggestion will have to be directed toward selling the particular brands in stock. If the salesperson discovers something of the customer's standards of buying, and knows what goods are on hand, he can suggest articles which will meet the customer's requirements.

KNOWLEDGE OF THE MARKET

The knowledge of the market, that is, knowing the brands and qualities of commodities carried by other houses, wholesale and retail, and the prices asked for them, is of vital importance to the salesperson, as well as to the buyer. From the salesperson's point of view, the most valuable asset produced by having such information is the assurance and self-confidence it gives him. It is difficult for him to have faith in his goods, if customers tell him other stores are giving better service, and selling the same thing at lower prices, unless he is informed as to the facts in the case.

The three most important things which the knowledge of merchandise, stock, and market enable the salesperson to do, are these:

1. To show the goods which he thinks will help the customer to solve his need.

2. To explain facts about the merchandise which are unknown to the customer, but nevertheless important to him.

3. To state with authority, and therefore with conviction, his opinion of goods, and to meet competition squarely.

SUMMARY

This chapter tells us that the function of the salesperson is to define and intensify the customer's need, and to control the means of its satisfaction. We are referred to Part I for a description of the methods of controlling fundamental desire.

We learned that, before the salesperson can adequately define the need of the customer, it is necessary to analyze the customer. In order to do this, he must be pleasant, patient, and interested in his work. Many of the desirable attributes of the salesman may be cultivated by conscious effort and auto-suggestion. Besides the ability of "sizing up" the customer, the salesperson must possess knowledge of the merchandise he handles, the stock carried, and general market conditions.

We have now become familiar with the function and duties of the salesperson. In the next chapter we shall study the function of the store and see what influence it has on the customer.

PROBLEMS

XVI—2, 6, 9, 16.
XVII—193, 195, 198-201.

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XXII

THE STORE

A. Selecting salespeople. Three types: verbal, motor or mechanical, and social. Methods of judging sales ability. B. Program of research; job analysis and description; classification of personal qualities; formation of objective tests; holding the sales force; objective valuation of services and better ways of paying for them; proper hours of work, rest periods, and facilities; better personal relations; better methods of discharging. Training salespeople; knowledge of goods, stock, and market; instruction in store routine, procedure, and organization. C. Influence of store organization on the customer. Summary.

The store presents a large variety of problems, many of which, however, are not psychological. Such terms as "rent," "overhead," "bookkeeping," for example, do not concern the present discussion. For us, the store involves questions of personnel and the effect of store organization on the customer. Discussion of personnel problems must necessarily be brief at this time, though many of them will be taken up later, in Part V.

A. Selecting Salespeople

The selection of salespeople is obviously important. Not all persons are equally qualified to be competent salesmen. Some have been better fitted by inheritance and environment for selling than others. We may divide individuals into three "intelligence types":

1. *The verbal type*—the man who thinks and works and expresses himself in terms of words or symbols. He is apt to be a statesman, a scholar, or a bookkeeper. He thinks in the abstract much of the time.

2. *The motor or mechanical type*—he is an inventor or a mechanic. He works with *things* and concrete forces.

3. *The social type*—the man who works with people, attracts them, and convinces them by his personality. He may be a political boss or a popular lecturer, but usually he is a salesman.

Most people, of course, do not run to extremes, but represent a mixture of all these types. Usually, however, the individual possesses the characteristics of one type in domination of the others.

All evidence seems to point to the fact that the good salesperson should be of the social type. One of the most effective means of producing the feeling of pleasantness in customers is to have likeable attendants in the store. The social type of person is naturally interested in other human individuals and is attentive to them, which means that he learns how to influence them.

METHODS OF JUDGING SALES ABILITY

If some reliable and accurate method of testing which applicants for positions would make successful salespersons were to be discovered, one of the great obstacles to efficiency in selling would be removed. Practically all of the employment of less experienced salespeople is done on the "trial-and-error" basis. If a man has the appearance and bearing commonly associated with selling ability, he is hired. If he does well, he is kept on the pay-roll; if not, it is a simple matter to discharge him.

The various systems of phrenology, physiognomy, handwriting, and similar attempts to diagnose personality traits or "character" are sometimes pressed into service to help solve the problem. Here again these methods are of little value, because they are not accurate. As a rule, they are not founded on scientific principles.

Psychological tests have been suggested as a means of discovering which persons are fitted for the occupation of selling. At present we know of no tests for salespeople

which are of much value. Psychological tests have proved useful in other lines of work, however, and there is reason to suppose that reliable tests for selling ability will be developed in the future. Several attempts to determine just what characteristics are necessary to success in selling have been made with seemingly good success. The reason for the difficulty in establishing salesmanship tests lies in the difficulty of empirically checking the results.

In connection with this discussion on personal interview and psychological tests to determine which applicants for positions are fitted for selling positions, it may be interesting to note the results of an actual experiment in hiring automobile salesmen.

The X—— Motor Car Company of Chicago requested Professor D. T. Howard and the author to help them select four or more competent salesmen of motor trucks. A large-size "Want Ad" was placed in the Chicago newspapers, in response to which a great number of automobile salesmen replied. Out of this large group, the "obviously unsuitable" applicants on the basis of their letters were eliminated, while the remainder—12 in all—were asked to fill out the usual familiar "employment form" of the X—— Motor Car Company and to appear for special examination and interview.

The 12 applicants selected were a heterogeneous group: their ages ranged from 29 to 46; their salaries varied from $3,000 to $7,000; their years of business experience extended from 4 to 26 years; their educations ranged from 8 years in grammar school to 3 years in college; some were of American native stock, while others were of Norwegian, Swedish, and German extraction.

To this selected group the Scott Mental Alertness tests were given as well as a number of tests designed for selection of salesmen by the Carnegie Institute of Technology. These were given, not because of their intrinsic value, but because of the opportunity that they offered for further study.

After the tests were taken, the group was interviewed individually by seven judges. The judges were carefully selected to represent the "highest" caliber of sales managers in Chicago. Three judges (A, B, and C) were sales managers of automobile truck departments, representing three different companies. One judge (D) was the president and general sales manager, while another (E) was vice-president and former general sales manager of two high-priced passenger car automobile companies. The sixth judge (F) was the general sales manager of a national steel company. The last one (G) was a teacher of psychology.

To each judge a private office was assigned which he was told to utilize as he pleased. He was advised to conduct the interview as if he were in his own office. Each judge was also instructed to make out a list of candidates arranged in what seemed to him their order of desirability with reference to their fitness to make good salesmen of the X—— motor truck in the Chicago territory.

The applicants were permitted to enter one at a time for a personal interview with each of the judges. In order to exclude the possibilty of the ratings being influenced by the order of interviews, each applicant was assigned the order of his interview by a carefully worked out chronological system with respect to all the judges. The range of time for each interview varied from 5 to 20 minutes.

It is obviously impossible to go into the details or to give the complete results of the experiment here.[1] Naturally, most of these need quite a bit of explanation before they can be offered the reader. The table on the following page, though it does not give a full and accurate account of the experiment, because it does not explain all of the circumstances, nevertheless gives an idea of the difference of opinion between the judges and the variance between their decisions and the ranking of the psychological tests.

[1]For a complete discussion *see* Snow, A. J., "An Experiment in the Validity of Judging Human Ability, *Journal of Applied Psychology*, Vol. VIII, No. 3, September, 1924.

RATING OF APPLICANTS BY JUDGES, THEIR DIFFERENCE IN RANKING, CONSENSUS OF JUDGMENTS, AND THE RANKING OF APPLICANTS IN SPECIAL TESTS

Applicants	Judges							Total in Rank	Difference in Rank	Consensus	Rank in Tests
	A	B	C	D	E	F	G				
C. R.	1	8	4	1	2	2	4	22	6	1	11
C. Y.	7	1	7	2	5	5	1	28	7	2	4
B. W.	10	2	9	4	1	6	3	35	6	3	8
M. H.	2	9	8	9	3	4	2	41	4	4	5
L. R.	3	6	3	3	10	7	9	37	6	5	1
P. A.	4	7	1	10	8	8	5	43	1	6	6
B. L.	11	3	6	5	9	3	7	44	4	7	10
F. E.	5	5	11	6	4	11	6	48	1	8	2
M. M.	12	10	2	7	6	1	10	49	4	9	7
M. A.	6	4	10	8	7	10	8	53	12	10	9
S. T.	8	11	5	11	11	9	11	65	16	11	3
S. N.	9	12	12	12	12	12	12	81		12	12

It will be noticed that the only case of practical agreement is on the salesman who was rated last, both by the judges and the psychological tests. It must be remembered, also, that the judges were permitted to base their decisions on the previous records of the applicants, as well as the impressions received during interviews. This accounts for some degree of agreement among them.

One of the judges was not a business man. Nevertheless, his judgments show the same statistical characteristics as the judgments of all the other judges. One often hears that anly sales managers *in their respective fields* are competent to judge. The experiment points, however, to the fact that the special experience of the individual judge —business or otherwise—is of no significance. Any intelligent individual is just as good—or as poor—a judge by interview of potential sales ability as any other man.

This is only one test, however, and while it seems to

verify a logical hypothesis, it is introduced here for the purpose of illustration rather than proof. It suggests the problem confronting the employer of salespeople.

Another of the methods of judging whether or not an applicant possesses the proper attributes for a selling position consists in having a number of the subject's acquaintances and associates rate him according to his various qualities. These rating scales are of value if the conditions for their use are controllable and ideal, but business, unfortunately, does not offer such circumstances.

B. Program of Research

The program which must be followed in the evolution of tests to indicate selling ability is complex. Briefly, among the steps which ought to be followed are these:

1. *Job description and specification.* Some progress has been made in the study of various industrial positions to determine what the requirements of these jobs are. This will have to be done in the selling field as well. This analysis and description will consist, first, of mass survey, to determine how all selling jobs are alike, which will in turn indicate what the general qualities essential to salesmanship are. The second element in the survey will attend to the individual differences between various positions, in order to see what specifications are attached to particular jobs.

2. *Classification of personal qualities.* It will be necessary to list personal qualities as they are adapted to certain jobs. That is to say, when the requirements of the job have been determined, it will be necessary to take the whole list of personal qualities, go over it and pick out the characteristics which are required for the position.

3. *Formation of objective tests.* Some accurate method of determining which persons have the group of characteristics required by certain jobs will have to be evolved.

4. *Consideration and determination of the qualities of external appearance necessary.* A definite system of rating physical appearance must take account of both attention value and prestige value.

Some parts of this program are even now being worked out, though the results are still far from satisfactory. Until it has been more completely evolved, the sales manager can do no more than blunder along in his selection. The only reliable standard of judging selling ability he has is the past record of each salesman, showing his previous success or failure in his field. Even this is far from an exact measurement, and furthermore, it does not apply to the inexperienced applicant for a position.

HOLDING THE SALES FORCE

The selection of employees is not the only personnel problem confronting the retail merchant. It is just as difficult to hold a sales force as it is to hire one, and perhaps even more important in the long run. Labor turnover is costly. In the first place, when one man resigns and another is engaged, there is the cost of the act of employment itself—advertising, interviewing, making records, and such details. The second item is the cost of instructing the new salesperson. If no technical instruction is required, at least it takes a certain amount of his own time and that of his associates to familiarize the salesperson with his duties. In the third instance, it is impossible to estimate the loss in sales caused by inexperience.

This problem of holding salespeople also calls for a definite program of research in psychology. Among the points to be studied, some of which are even now being scientifically investigated, are the following:

1. *Objective valuation of services and better ways of paying for them.* Most of the present means of reward cause some degree of dissatisfaction. Just what method

can be adopted, it is difficult to say—without a great deal of experimental research.

2. *Proper hours of work, rest periods, and facilities.* Fatigue curves or work curves as against other standards of production, which show how often employees should rest in order to be most efficient will eventually have to be employed in this research.

3. *Better personnel relations.* Every store endeavors to foster the best personnel relations among employees themselves and between employees and management. A scientific study of motives in industry is new; most that has been written to date is propaganda rather than a result of objective field study. Scientific methods of experimentation will probably be of great aid in carrying out this purpose in the future.

4. *Better methods of discharging.* How to let a salesperson go without causing ill will is indeed a problem. So far we have no experimental knowledge of methods of discharge which can be carried on successfully in large stores.

TRAINING SALESPEOPLE

The problem of training salespeople varies in complexity, according to the nature of the goods to be sold. Some lines, such as jewelry and precious stones, for instance, require thoroughly trained salesmen. Others—candy for example—can be sold efficiently by individuals who do not have specialized or technical training. Many of the large department stores now have regular schools where new employees are instructed in business procedure. The time which a new clerk may spend in "school" is so short, and the means of teaching so limited, that it is impossible to give complete instruction in selling.

Usually the salesperson is left to pick up the "tricks of the trade" by experience. The more ambitious salesperson

may study some of the principles of his art by attending night school, or by outside reading. There are so few salespeople who follow this method, however, that it has little to do with the general solution of the problem of training. Young women, particularly, who may not always remain in the business world, can hardly be expected to attend night school or do much reading about the merchandise they sell and the methods of selling. Therefore the management of a store must come to have in mind a program of instruction which covers the following points:

1. *Knowledge of goods, stock, and market.* The value of this information has been discussed in previous paragraphs.

2. *Instruction in store routine, procedure and organization.* For the sake of efficiency, the new employee must be taught how to fill orders and to make out sales tickets and reports. He must understand the function of the various departments and their relation to one another. He must also become familiar with the personnel of the store and know something of the way in which authority is delegated.

3. *How to study customers.*

4. *How to handle one's self and customers.*

5. *The steps in the development of a sale.*

These last three items are best taught by someone who is recognized as a good salesperson or who has made a special study of the subjects involved, though a good salesperson is not necessarily a good teacher. The information which should be given has been suggested by our discussion of these points in Chapters XX, XXI, and XXIII-XXV.

C. Influence of Store Organization on the Customer

In addition to the psychological effect of the salesperson on the customer, we must also consider the influence of the

store itself, which was discussed to some extent in Part II. Previous chapters have taught us the value of good-will and the production of a feeling of pleasantness generally. The physical equipment and the mechanical organization of the store are important in producing these feelings.

In the first place, it is important that *the stock be as complete as possible.* In order to satisfy customers, it is necessary to have all sizes, styles, prices, colors, grades, and qualities of a commodity usually called for. The reasons for this were discussed under the heading of the salesperson's knowledge of stock, where it was emphasized that the clerk could not satisfy the customer unless he had approximately what the patron desired.

The stock should be well located. It should be so situated that the clerk can find the merchandise desired as soon as possible. This implies that there should not be too much stock in the salesroom.

The stock should be fully personnelled, that is, there should be enough stock clerks to see that proper supplies of articles can be brought to the salesroom as needed. If a customer is compelled to wait a long time while commodities which he desires are brought from the stock-room, he is likely to lose interest. He does not have the feeling of pleasantness inspired by prompt service. Up-to-date inventories help clerks to keep track of stock and avoid running out of certain commodities.

Good window and show-case display have important rôles. Feelings of pleasantness are produced through attractive displays of merchandise. Often desire for an article is induced by its setting in a show-case or window. *Healthy physical appearance of sales and stock floors* add to the pleasantness and prestige of a store. "Cluttered-up" counters and tables are not particularly agreeable to the average customer—unless it be at a bargain sale. Too much or too little furniture have the same effect.

It is desirable to have *plenty of salespeople* to wait on customers. People do not like to stand around any length of time before a salesperson comes to take care of them. On the other hand, if there are too many salesmen, the impression is that business is not very good.

A certain chain of cigar stores has made good use of some of these principles. No matter how large each store may be, the salesroom is small. Not much space is needed for selling tobacco if the stock is well arranged on shelves and in show-cases. Since the store is small, a very few customers give the impression that business is good, because there is no space not being utilized at the time. Besides, the nature of the business is such that if a large space were available, it might be occupied by "loafers," while with a small room, customers tend to buy, and go out, so as not to impede business. The front window display is quite large in comparison with the size of the store. This serves to attract attention and remind people of their habits of using tobacco to the extent that they "come in and stock up." The window displays are also used extensively to introduce new and odd forms of tobacco and smoking accessories. This results not only in the sale of the articles displayed, but also brings customers into the store who buy other things as well.

SUMMARY

This chapter has discussed the third element in the sale —the store. The psychological problems of the store are mainly those of personnel and the effect of store organization on the customer.

Generally speaking, the salesperson should be of the social type. The task of selecting individuals for sales positions is difficult, and no accurate scientific system of doing this has been evolved as yet. Most employment of salespeople is on the "trial-and-error" basis. An extensive program of research presents itself with a view to working out a scientific method of determining the presence of sales ability.

The problem of holding salespeople also requires extensive research. Among the subjects involved are: objective valuation of services and ways of paying for them, fatigue and efficiency scales, personnel relations, motives in industry, and methods of discharging. Training salespeople is another of the problems of the merchant.

The organization of the store and the arrangement of physical equipment influences the customer to a great extent. These factors are important because upon them depends to some extent the kind of service which the salesperson may render the customer.

We have now reviewed the elements in the sale. In the next chapter we shall be introduced to the sale itself and the various problems its analysis presents.

Problems

XIV—13-15, 19, 22, 26-37.
XVII—201-203, 205, 206.

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XXIII

THE SALE: THE CUSTOMER; ATTRACTING ATTENTION; DEVELOPING INTEREST

The six problems of the sales situation. The customer's problem. Attracting attention: principles of attention; appeal to habit and interest; value of personal attributes of the salesperson. Holding attention: "selling points"; personal activity of the salesperson secures interest; association of new goods with past experience; interest in merchandise; activity towards goods as an interest incentive. Summary.

Now that we have discussed the functions of the customer, the salesperson, and the store, let us study the sale itself. Fundamentally, the problems of salesmanship are the same as those found in advertising. Advertising, we discovered, is *selling in print,* while salesmanship is *selling in person.* The principles of the two processes are much the same, but the conditions under which they operate are not. One uses the medium of printed matter and the other works through spoken language and human actions. It is therefore necessary to follow a different program from the one used in advertising, when we study personal selling. As an instance of the difference involved, advertising requires that considerable emphasis be placed on the problem of memory, while retail selling is not so much concerned with memory.

Psychologically, we can discover six steps in the sales process. This distinction is of course artificial, just as the rigid program was in advertising. It is necessary, however, that we adopt some definite standard which combines the principles generally found in sales. Not all sales will involve all the principles and some of them may have the elements in different order than they are taken up here. We shall adopt the following program of steps in the sales situation.

1. The problem of the customer
2. Attracting attention
3. Holding attention and developing interest in merchandise
4. Securing conviction
5. Inducing decision, secondary desire, and buying
6. Satisfaction

THE CUSTOMER'S PROBLEM

The problem of the customer has already been discussed at some length. From the standpoint of the sale, he is a human individual possessing certain fundamental needs, wants, and desires which demand satisfaction. He has general qualities which are shared by all customers, and he has individual characteristics which make it necessary to handle him in a particular way. Sometimes he knows what will satisfy his need, but usually the salesperson must define the need and help him to select the article which will give satisfaction.

ATTRACTING ATTENTION

If the customer knows what he wants, it is not necessary to attract initial attention to the article he desires. We learned some time ago that attention follows interest[1]. If a man is interested in a particular commodity, therefore, it is reasonably certain that he will pay attention to it. The problem then is to guide attention and utilize it throughout the sale.

It is when the customer is "drifting about," with no definite idea in mind of buying certain articles, that attracting attention is important. We have come to know that the process attended to becomes clearer and more distinct than

[1]Here it would be well to review the laws of attention in Part III. In our study of the sale we will not discuss again in detail the psychological principles involved—such as, attention, interest, desire, association, and the like, as the reader can, by the use of the index, find the needed discussion in other chapters of the book.

other processes. That is, if we pay attention to an object, we come to notice attributes and details of it whose existence we have not previously recognized. Attention to these details develops interest, and the interest in turn holds attention.

A man passes by a toy shop and sees a miniature electric train operating in the show window, let us say. Its motion attracts his attention and he stops to view the plaything. He has seen other toy trains and knows something of their nature, but he has never been particularly interested in them. It strikes him that this one is remarkably like the real thing, and that it is well constructed, so that his small son would not be likely to break it as soon as he might other toys. He notices that it has a headlight and that the track is equipped with block signals. One by one the details of the toy are impressed on his consciousness and if he is able to spare the money, he eventually takes a new plaything home to his little boy. If the motion of the train in the window had not attracted his attention in the first place, the transaction might never have been completed. Paying attention made him see things about the train he had not previously noticed and these details secured his interest.

PRINCIPLES OF ATTENTION

The principles of attracting attention are the same here as in advertising, which we studied in Part III. The conditions under which these laws operate differ, however, and because of the variance of circumstances, they appear in selling in new and modified form. The methods of attracting attention with which we are most concerned are: (1) good show-case and window display; (2) appeal to customer's habits; (3) appeal to customer's interest; (4) salesperson's appearance and manner of approach.

1. The reasons for the effectiveness of good show-case and window display are numerous and varied, comprising practically all of the common principles of attention as we dis-

covered in Part II. In this connection we shall apply several of the general factors of attention suggested principally by Woodworth[1].

(*a*) *Change* is one of the important attention incentives in display. Motion is change. We become adapted to static and as our attention fluctuates, we cease to observe it closely. Motion, however, affords something which is continually new to take advantage of the fact that attention is roving in its nature. Moving displays, therefore, are of decided advantage in attracting attention. The toy train attracts attention more effectively when it moves than when it is stationary. Sharp contrast in sounds, or in color, anything which constitutes sufficient change, attracts attention.

(*b*) *Intensity* of stimulus is important. A very bright light attracts attention more powerfully than a faint glow. Discounting other factors, a strong stimulus will attract attention before less powerful ones. A display of extremely bright red blouses, for instance, is more certain of drawing attention to a shop window than is a collection of pale pink waists. *Striking quality,* quite apart from intensity even, is an advantage.

(*c*) Objects which have *definite form* are more certain of attracting attention than those which are vague. A small, well-defined object standing out from its background is more likely to be seen than a broad indefinite expanse, such as the sky. In window and show-case display, therefore, it is well to have articles so placed that it is easy to make out their definite outlines and not to include so many of them that the various shapes and figures are intermingled.

(*d*) *Suggested action* may accomplish much in attracting attention. It may be well here to recall the discussion of this factor in Part III. Suggested activity must be dis-

[1]Woodworth, R. S. *Psychology,* pp. 245-248. Henry Holt and Company, New York, 1921.

tinguished from action itself, in that the latter is motion and the former is not. The sporting goods store which displays a "dummy" clothed in a baseball uniform and poised as if to throw a ball is using the principle of suggested action. Here we are interested as to the outcome of the throw; even though we know it will never be made, we picture the action which might take place. The mental activity involved tends to hold our attention.

(*e*) We know that *color* is an effective attention device. We are strongly attracted to certain colors and we like some colors better than others. The principles mentioned on pages 266 and 267 in regard to color in advertising apply here.

(*f*) *Repetition* is a factor in attracting attention. We may not notice a stimulus the first time, but after repeated applications we become aware of it. It is well to emphasize the same idea more than once in a window display if the first indication of it is not strong enough to attract attention. It must be remembered, though, that if a stimulus is repeated too often, or for too long a time, it loses its effect, because the element of change is missing and adaptability becomes a factor.

APPEAL TO HABIT AND INTEREST

2. Earlier in the book, we noticed that the consumer does a large share of his buying on the basis of habit. He has formed the habit or using a particular brand of commodity, or a certain quality, and finds it easier to continue to do so than to change. In this connection, it is to the advantage of the salesperson to familiarize himself with the habitual buying of the consumer, so that he can supply him with the article he wants. If a man has bought several tubes of a certain brand of tooth-paste at various times in the past and has experienced the feeling of pleasantness as a result of the former purchases, the probability is that he will

unconsciously recall this feeling and his attention will go to the same brand when he needs more tooth-paste.

There is an appeal to habit, however, which is not that of habitual buying. This is the process of linking up general habits with the commodity to be sold. Suppose, for instance, that we have a man who is an inveterate smoker. The salesperson may appeal to this habit of smoking when he sells the man a fancy humidor. If the salesperson knew the customer did not smoke, he would not try to attract attention that way. The salesperson who finds out what he can about the customer's habits is in a position to take advantage of one of his most effective means of attracting attention.

3. The appeal to the customer's interest is similar in some ways to the appeal to habit. Individuals have their particular interests, just as they have habits. If the salesperson can discover the individual interests of the customer, he can attract his attention. As we have often mentioned, attention follows interest.

ATTENTION VALUE OF PERSONAL ATTRIBUTES OF THE SALESPERSON

4. The salesperson's appearance and manner of approach are matters about which it is difficult to give specific rules. Like many of the objective methods of attracting attention in advertising, the personal appearance of the salesman should not be so powerful an incentive as to hold attention on itself rather than on the major issue. The clothing of the salesperson, for instance, should be in good taste and should make him look well, but not be so obvious as to attract too much attention to itself. The facial features and general appearance of the salesperson should not be so odd as to demand notice when the mind of the customer ought to be on the commodity being shown.

The manner of the salesperson should be as unobtrusive and natural as possible. He should be cordial and interested in his treatment of the customer. Just what he should do,

at any given time, is a matter of individual tact and adaptation to circumstances. Often the salesperson does not realize how much his greeting of "Something?", "What's yours?" or "Did you want to be waited on?" may antagonize a customer.

The use of a customer's name in addressing him is a mannerism of the salesperson which is often effective in attracting attention. In the first place, when a man is called by name, the mere sound of the appellation itself draws his attention to the person who pronounces it. It is an evidence of the interest and personal regard held by the salesperson. It produces an atmosphere of friendliness, which, though it is artificial, produces a feeling of pleasantness calculated to hold attention.

HOLDING ATTENTION

It is evident that selling does not consist in attracting attention alone. This is only the beginning of the sale. Before we can make any use of attention, we must *hold* it, just as we did in advertising. We know that attention fluctuates and that a process must involve several attention devices if it is to hold attention for any length of time.

"SELLING POINTS"

We must supply the customer with several aspects of "selling points" of an article calculated to keep him busy, so that his attention does not shift to something else. These aspects must form a unity and lead to a central thought. It is well not to bring up too many "selling points" at once, however, as the span of attention is limited. The points should be considered one or two at a time, certainly not more than four or five aspects being mentioned in a short period of time. We know from our previous study that attention is selective, that we attend to those things in which we are interested, to the exclusion of other articles.

Our problem at hand, then, involves the methods by which interest is developed. As soon as interest is secured, we do not have to worry about holding attention. Again we say, attention follows interest.

PERSONAL ACTIVITY OF THE SALESPERSON SECURES INTEREST

One of the best tools the salesperson has for securing interest is his own self. Just as the salesperson attracts attention by his personality and the manner in which he uses it, so he may develop interest and hold it. The salesperson's willingness to display goods helps the customer to become interested in the merchandise. If the salesperson demonstrates articles gladly, the customer is likely to show more interest than he would if the salesperson were not so willing. The salesperson who does things rapidly and efficiently so as not to waste the customer's time, holds the interest of the customer better than he would if he made the customer wait to be shown the goods. Take, for example, the following report of a sale where the clerks were *not* personally effective:

Mrs. B. and I were shopping together. We were courteously directed to the sewing-machine department by the elevator girl but had some difficulty in finding it even with her directions. We were the only customers on the floor—at least, within sight, for it was a little after 5 o'clock—but evidently our rarity contributed not at all toward making us conspicuous. A salesperson was busy sewing at a machine within 30 feet of us, and another was handling some papers in a rather desultory manner at a desk. She sat facing the entrance to the department and was fully aware of our presence, but neither she nor the other salesperson paid any attention to us.

Mrs. B. and I stood, expectant, for a few minutes, and then Mrs. B. approached the woman at the desk.

CUSTOMER—Will you wait on me, please?

SALESPERSON—What is it?

CUSTOMER—I should like to buy a machine needle, size ....

SALESPERSON—What size did you say?

Mrs. B. repeated the number and the woman shoved her chair back slowly, rose and walked carelessly to a cabinet where she found the desired article.

SALESPERSON—For a so-and-so machine? (*calling to Mrs. B. from a distance*).

CUSTOMER—Yes.

The immediate sale was closed without further words. The salesperson's manner was distinctly bored and rude.

CUSTOMER—(*after receiving the small package and being evidently dismissed*) I am not finding my new machine very satisfactory.

SALESPERSON—Oh, did you just buy a machine?

CUSTOMER—My husband gave me one for my birthday very recently.

SALESPERSON—What's your name?

CUSTOMER—Mrs. B—. I haven't been in myself before.

SALESPERSON—Well, I wouldn't have asked you your name if I'd remembered your face.

Whereupon the woman sat down at her desk and resumed her work with her papers. Mrs. B. and I walked out of that department for the first and the last time.[1]

If the salesperson is clever enough, or fortunate enough, to discover what the exact wants of the customer are, it is not extremely difficult to arouse interest. With a definite idea of what the customer may want, the clerk is in a position to ask intelligent questions. If he makes relevant inquiry and finds out what sort of commodity the customer needs, he can give good advice. The customer is not interested in advice which is obviously unsound or which is not a selling point for the goods. Clever chatter generally on the part of the salesperson may cause the customer to be interested in him, but if it has no bearing on the goods, it will not arouse interest in merchandise.

The personal enthusiasm of the salesperson for the goods he has to sell goes a long way toward creating a like interest on the part of the shopper. The enthusiastic spirit displayed by the salesperson acts as a suggestion to the customer. If there is not too much opposition to the sug-

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 180-181. A. W. Shaw Company, Chicago, 1924.

gestion, the customer is soon put in the same mood. This point is well illustrated in the following report:

> I was approached promptly by a tall, attractive looking salesperson with a flashing smile. She gave the impression of being actually glad to see one.
>
> SALESPERSON—Have you been waited on?
>
> CUSTOMER—No.
>
> SALESPERSON—What can I show you?
>
> CUSTOMER—I am not exactly sure but I want a pair of black satin slippers—heels not too high.
>
> SALESPERSON—(*sitting down, removing slipper and measuring foot*) Just a minute. We have some very good looking pumps. (*Returning with a pair, smiling, tries one on.*)
>
> CUSTOMER—No, not so much open work. Don't you have a rounder toe?
>
> SALESPERSON—Yes, I believe I can fit you. (*Returns in a few seconds holding up a pump described by customer*) Now isn't that attractive? (*Puts it on*) It looks very well on your foot. Only $6.85—a splendid value.
>
> CUSTOMER—It is nice. Do you think it fits well? I usually have trouble.
>
> SALESPERSON—(*examining shoe carefully*) I think it fits beautifully. Would you like to try a size shorter?
>
> CUSTOMER—(*considering*) No, I'll take these.
>
> SALESPERSON—I'm sure you'll like them—they look so well. (*Returning shortly with package*) It must be a very good account—it came back so quickly.[1]

Little manifestations of personal attention on the part of the salesperson are often effective in securing the interest of the customer. These things help to remove counter attractions and make it easier for interest to be centered where the sale clerk wants to hold it. Offering the customer a chair, helping with coats and wraps, anything which shows thoughtfulness on the part of the store employee helps to get the customer's interest. If the salesperson is well enough acquainted with the customer socially, it is

[1] *Ibid.* p. 174.

often desirable to inquire as to the health of the family and friends, or to bring in some other point of common interest which will serve to remove restraint from conversation.

During the process of attracting attention and opening the sales situation, the salesperson has opportunity to "size up" his customer. If the two people are strangers, the salesperson takes note of the characteristics of the customer; if they are acquainted, the clerk soon discovers what mood the shopper is in. Then he may secure interest by rendering the kind of service the customer wants. If the customer is happy, the salesperson may adopt the same mood; if he is worried, sympathy may serve to bring about a basis of understanding which will make it easier to secure interest.

The salesman who is prompt and alert helps the customer to assume the same attitude, because of the suggestion he conveys. A display of briskness on the part of the salesperson, provided it is not indicative of impatience, tends to make the customer act more quickly. The salesperson should be polite and patient if he expects to find the same attitude in the customer. Here again the suggestion embodied in the manner of the salesperson may put the customer in a mood where it is possible to get his interest.

In order to hold attention, the salesperson should "look the customer in the eye." The clerk will not have much success in holding attention if he does not show his interest in the customer by looking at him when he talks. Looking into the face of the customer makes the conversation more direct, personal, and therefore closer to individual interest than if the salesperson does not show so much attention to him.

If the salesperson has a pleasant manner of address, if he uses appropriate gestures in his speech and expresses himself clearly and accurately, the interest of the customer is more likely to be properly directed, because of the usual associations, than if he uses obviously bad grammar and does not put his ideas into form easily understood. If the

voice of the salesperson is monotonous or unpleasant, it will be difficult for him to hold the customer's attention on the goods long enough for interest to be developed in them.

ASSOCIATION OF NEW GOODS WITH PAST EXPERIENCE

In our study of advertising we learned the advantage of stating the new in terms of the old. When the salesperson shows something with which the customer is not entirely familiar, he should explain it in terms the customer understands. He should establish connection between the articles he is displaying and something with which the customer is acquainted. It is usually more effective to utilize mental channels which are well developed than to try to create new lines of thinking. The customer is interested in things he has previously experienced; if one can link up the idea of the commodity he wishes to sell with something which is a part of the established mental property of the individual, interest is secured.

A woman is buying a fall suit, let us say. The salesperson brings out several of the latest models, which are not a great deal like those of last season. The cut of the new suits seems "odd"; the customer is not enthusiastic over them at first. The salesperson expects this, however, and refers to the difference between these models and those of last sason. If she knows what kind of a suit the woman had the year before she can be quite specific in her statements. The mention of the difference does not serve to accentuate it, however; rather it emphasizes points about last year's garment, so that the mental picture of it is clearer than it might have been otherwise. With this picture of the old suit in the minds of both salesperson and customer, it is possible to refer to the good attributes possessed in common by both seasons' models. The fact that the last suit wore well shows that the customer knows what wearing quality is and that she appreciates it. It is not necessary to explain what wearing quality is, nor how it is important. As soon

as the idea is brought up, it is understood, because it is a part of previous experience. Naturally the customer would not want to wear exactly the same kind of coat every year, but when she does have novelty, she must understand the change in terms with which she is familiar.

INTEREST IN MERCHANDISE HOLDS ATTENTION

The merchandise itself offers an effective medium by which attention is held because of interest. The salesperson may give interesting information as to the use of the article. Details of manufacture are usually of interest to the buyer. The history of the commodity, its source, how it came to be used, how it was utilized in the past—all of these things tend to hold the customer's attention while he is becoming familiar wih the article. If the customer is obviously not interested in these details and does not care to listen to them, it is of course unwise to insist on giving them.

Pointing out differences of quality in various articles often serves to hold the customer's attention and to develop a genuine interest. Special tests which the customer carries out for himself may sometimes be used to advantage, as well as reports of tests performed by experts. Clever ways of overcoming difficulties in the construction of the article are usually of interest.

The salesperson may secure interest by telling of present tendencies in the style or design of goods. People like to know what styles are coming into fashion next. They want to know about the market generally, whether prices are going up or down, and such details.

ACTIVITY TOWARD GOODS AS AN INTEREST INCENTIVE

Arousing activity toward goods secures interest in them. Getting the customer to try on a dress focuses her attention on the clothing long enough to constitute interest. If a woman tests a piece of cloth by examining the threads,

her attention is held better than if she merely glances at it. When the prospective buyer of an automobile gets into a car and drives it, he is forced to pay attention. It is valuable to have a customer try out goods, not only because this proves assertions made about commodities, but because it arouses activity toward them on the part of the customer.

The silent customer, who will not say much about goods, or the person who does not handle them, is hard to deal with, because he does not show his interest. If he indicates he recognizes particulars with which he is familiar, especially if they satisfy needs which he knows from experience, we can be assured that he possesses some degree of interest in the merchandise shown. When he handles articles and asks questions about them, he is rapidly approaching the point where he can decide whether they satisfy his needs. If he makes comment, or shows that he is pleased with the articles by the relaxation of his facial muscles, we know that his attention is being held sufficiently for conviction to enter the program.

SUMMARY

We are told that the problems of selling are fundamentally the same as those of advertising, but that the variance in circumstances involved makes it necessary to adopt a different program in studying selling. The six steps in the sales situation may be said to be:

1. The customer's problem
2. Attracting attention
3. Holding attention and developing interest in the merchandise
4. Securing conviction
5. Inducing decision, secondary desire, and buying
6. Satisfaction

We are already familiar with the problem of the customer. As for attracting attention, the factors in which we are interested are: (1) show-case and window display;

(2) appeal to habit; (3) appeal to interest; (4) salesperson's manner and appearance.

The attention incentives involved in show-case and window display are: change, intensity, form, suggested action, color, and repetition. The appeals to habit and interest are matters with which we are already familiar, from discussion earlier in the book. The salesperson's clothing, manner of approach, and the use of the customer's name are potent incentives to attention.

Attracting attention is of no value in itself. It is necessary to hold it and to develop interest in merchandise. Among the factors involved in the latter processes are: (1) "sale points"; (2) the personality of the salesperson and the service rendered by him; (3) giving meaning to new articles in terms of experience; (4) interest in merchandise; (5) activity toward merchandise.

We have reviewed the first three problems of the sales situation. In the next chapter we shall be introduced to the fourth problem, that of securing conviction.

Problems

IV—22, 39, 44, 46, 75.

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XXIV

THE SALE: CONVICTION

Importance of securing conviction. Conviction through confidence. Securing confidence in the salesperson. Other methods of conviction. When to use reason. Principles and types of suggestion. Use of various types of suggestion. Factors in the use of suggestion. Appeals to emotion and imagination. Removing inhibitions and counter ideas. Summary.

CONVICTION has been arbitrarily set as the fourth step in the sales situation. It must be borne in mind, of course, that this chronological method of studying the sale is artificial, but necessary to an orderly discussion. *The typical sales situation is not built up step by step,* one increment following another, as a house is built; rather, several elements may be present from the beginning, some of them may never enter the sale. The object of the salesperson, at times, is to sell goods, or better perhaps, to satisfy the need of the customer. If the customer is ready to buy and to be satisfied without being led through all the steps of the *ideal* sale situation, the transaction should take place at once; if the established order has been followed and the sale does not take place, it may be well to repeat some of the elements.

In Part III we saw that the production of interest in advertising is not an end in itself; it is merely a tool to be used in further accomplishment. So, too, in retail selling. The customer does not buy an article simply because he is interested in it. If everyone could and would buy all the things in which he was interested, that would be another matter. As it is, the customer must be convinced or feel that the purchase of the merchandise in which he is interested offers the best or, at least, a satisfactory solution to his present problem of need.

CONVICTION THROUGH CONFIDENCE

Conviction may be produced in several ways. Which method is best depends largely on the circumstances of the individual sales situation. We shall discuss the production of conviction (1) by inducing confidence and (2) by appeals to reason, habit, impulse, emotion, and suggestion. It will be necessary to repeat some of the items mentioned previously, because many of the actions involved in selling help to accomplish more than one, or perhaps all, of the steps of the sale. This will be more evident as the repetition becomes apparent.

1. The feeling of pleasantness is instrumental in putting confidence into a customer, which in turn produces conviction. In this connection, the store itself plays a large part. Here "good-will" is almost synonymous with "confidence." The customer who has received complete satisfaction in former dealings with a store is quite likely to have confidence in the house. This trusting attitude may even be assumed by those who have never traded with the store, but who have been influenced by the suggestions of actual customers of the firm. On the other hand, if numerous people are not satisfied as a result of dealing with a store, the community in general soon loses confidence in it.

2. The merchandise itself may possess the confidence of buyers. A large amount of good-will often attaches itself to a particular trade-mark, name or brand. The brand may have given satisfaction in the past and the customer's conception of the branded article, due to association, produces unconsciously a feeling of pleasantness. Many concerns list trade names, trade-marks or brands among their assets in millions of dollars.

3. A written and legally valid guaranty is often effective in producing confidence in the shopper. When the customer sees that his money will be returned if he is not satisfied, he is reasonably sure that the commodity is of good

quality. As between guaranteed and non-guaranteed goods, he will select the former. As a matter of fact, a very small proportion of guaranteed goods is ever returned, because the guaranty itself unconsciously produces in the customer a feeling that the merchandise must be of high quality.

Constant advertising tends to create confidence in merchandise. The repeated suggestion that an article is of good quality makes people believe in it, unless they have had experience to the contrary. The fact that a large number of individuals seem familiar with a commodity suggests that it is good and reliable.

SECURING CONFIDENCE IN THE SALESPERSON

5. Confidence in the salesperson often results in conviction which leads to buying. Most customers are not experienced judges of quality and the worth of goods; they must rely somewhat on the advice and opinion of the salesperson. It is necessary for him to enjoy the confidence of the shopper before he can advise most effectively.

(*a*) If the salesperson is to enjoy the confidence of the customer, he must produce an agreeable feeling in him. In order to do this, the salesperson must be neat, clean, and attractive in his dress. He does not have to be conspicuously dressed to be attractive; it is better that his clothes attract little attention to themselves. He should be healthy physically; a sick man may inspire sympathy, but not confidence; strength begets confidence. This does not mean that an unusual physique is necessary, but that the salesman should have the appearance of being in good physical condition.

(*b*) Willingness to show and demonstrate goods produces conviction in the customer. The fact that the salesperson wants the customer to see all the details of merchandise suggests that it is good, just as a guaranty does. It is also essential that the salesperson himself have confidence in

his stock, so that he can exhibit the feeling of trust to the shopper. If the clerk has confidence, the suggestion conveyed by it inspires a similar attitude on the part of the customer.

(*c*) The successful salesperson usually induces confidence by his *personality*. We use this term to mean the combination of *acquired* human qualities. Among these attributes are: enthusiasm, honesty, tact, self-confidence, self-command, courtesy, cheerfulness, sympathy, initiative, and memory for certain types of information. In fact, neatness, cleanliness, attractive dress, willingness, everything so far mentioned, with the possible exception of bodily health, are largely acquired characteristics. If the salesperson finds that he lacks any of these qualities, he should consciously strive to inculcate them by personal practice.

(*d*) The speech of the salesperson often inspires the customer with confidence. First of all, it should be courteous. It should also be suited to the customer. If the latter has had few of the advantages of formal education, it is obviously unwise to use "large" words. If the buyer is well educated, or has an extensive knowledge of the article he seeks, it may be well to use more complicated or technical language. Whatever type the customer is, the salesperson's speech should be adapted to convey the most powerful meaning to him.

(*e*) The salesman should cultivate a pleasing tone of voice. The tone should be clear and distinct; indistinct words often cause misunderstanding and strain which are not conducive to the production of confidence. Some tonal qualities seem to indicate sincerity on the part of the speaker; the salesperson should try to use them. Sometimes it is necessary to speak quite loudly to customers, but frequently the quiet sort of person feels more confidence in the salesman who speaks softly and nicely.

(*f*) Another way of securing the confidence of the cus-

tomer is to call him by name. This suggests a personal interest in him, as in the following example:

SALESPERSON—How do you do, Mrs. Jackson? What can I do for you today?

CUSTOMER—I am in a great hurry, but I want a sweater that will give me long straight lines and won't make me look fat. I want it to wear with this skirt.

SALESPERSON—As I remember, you like brown very well, Mrs. Jackson. I have a sweater in mind which is brown and burnt orange. Just a moment. I think it will be stunning with your skirt. You need a contrasting color with that skirt to bring out the beauty of your material. (*Showing sweater.*) Isn't that pretty with it? Let's get away from all these other colors. They seem to kill each other. I think you could see it better if you step over here to this daylight mirror. There, isn't that lovely on you?

CUSTOMER—That surely is a beauty. I don't believe I'll look any further. You nearly always know just what to show me. You may send that out—charge.[1]

The ability to remember names is something which can be acquired. To be sure, not all people learn names with the same ease. There will always be individual differences in memory, because some nervous systems are more flexible than others, natively; but there are means by which anyone can improve his ability to remember certain facts. Memory can be improved methodically. If the sale clerk consciously pays attention to the name of the customer and associates it with the facial appearance of the customer, the two ideas tend to be recalled together. When the face is seen, the name is remembered. It is of equal importance not to try to remember the name of every customer, if the volume of business is large. Before things can be remembered, they must receive attention; the range of attention is limited; it is best, therefore, to pay attention to the names which are important and forget the rest. As it is better to learn and retain few independent but similar associa-

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, p. 176. A. W. Shaw Company, Chicago, 1924.

tions, it is, therefore, important to know what to forget as well as what to remember. Many customers never return to the store, but the ones who continually frequent the place like to believe the salespeople are interested in them; remembering names is an indication of this interest on the part of the salesperson.

Confidence in the store, the merchandise, and the salesperson is essential because today a good deal of buying is done without the customer's seeing what he is purchasing. The housewife often telephones her order to the grocer and the butcher, instead of going to the store to pick out what she wants. A man seldom thinks of going to the coal dealer's to look over the stock before he lays in his winter supply. Many articles are put up in packages which cannot be opened without spoiling the contents. Bread is wrapped in paper, oatmeal comes in packages, and men even buy handkerchiefs in sealed cartons, without seeing them at all. Almost all buying, today, tends to be by description rather than inspection. This is why confidence is so necessary in modern buying.

OTHER METHODS OF CONVICTION

We must not adopt the belief that confidence is the only channel through which conviction may be produced. We have still to observe the appeals to reason, habit, impulse, emotion, and suggestion, which were mentioned in a preceding paragraph.

Some "sales talk" produces conviction and action because it is rational. More often, however, "sales talk" is effective for other reasons. It may bring about an emotional disturbance in the customer which is accompanied by a feeling of pleasantness tending to produce action. It may point out a method by which it is possible to satisfy the need or solve the problem at hand by allowing the customer to act in accordance with his established habits, whether or not the course is a rational one.

Some time ago we learned that every idea tends to realize itself, and will do so if it is not inhibited by rival ideas or impeded by physical circumstances. We usually believe statements which are not contrary to our experience. "Sales talk" may suggest notions which are not opposed by other conviction or habits of action.

WHEN TO USE REASON

With so many methods of securing conviction, it is often difficult to decide which one to use in selling to a particular customer. Obviously, not all customers respond equally to the various methods. The salesperson must study the customer and adopt the course which seems best suited to the specific individual with whom he is dealing. With experience, the salesperson can tell from the interest of the customer what sort of tactics will produce conviction.

When appeal to reason is employed, the salesperson must adopt a line of argument suited to the particular customer at hand. The grounds or reasons should be the ones which have meaning and value to the customer. The customer is doing the buying and it is his standard of value which must be employed to measure the validity of arguments presented. It is folly for the salesperson to insist that *his* system of judgment rule, instead of the customer's. At times the customer's standards are not the ones by which an expert would evaluate the goods. Here it does no harm for the salesperson to explain to the customer how the expert judges merchandise, but it is unwise to insist that the shopper adopt the same methods. *The expert's reason may not convince the customer at all;* the customer knows what he wants and he should be allowed to use his own methods of getting it, provided he does no particular harm to the good-will of the store through his lack of knowledge or judgment.

It is obviously impossible to state when to use reason and when to employ other appeals. The choice of methods

depends upon the *total situation* and cannot be based on any of the single elements in the sale. The total sales situation is a combination of such factors as (1) type of customer; (2) type of goods; (3) price; (4) market conditions. The following suggestions, used judiciously and modified according to circumstances, may prove of aid in deciding when to employ reason.

1. Reason should be employed in selling to an expert. The customer who is familiar with the merchandise he is buying has probably developed a logical standard of judgment. He knows what features to look for, and he knows the why and the wherefore of these attributes. He demands good reasoning, because that is his standard of judging this type of merchandise. When a man who knows clothing buys a suit, it is of little effect to tell him a certain article of clothing is "nobby," that it is just the thing for him, or that it will "wear like iron." He is interested in the material, the cut, workmanship, price, and such details; these are the ways in which he judges the value of clothes.

2. Sometimes it is necessary to employ reason to introduce new articles. If the use of the new article involves the changing of old habits, it is usually best to use reason to do it. People have formed the habit of eating certain kinds of breakfast food, for example. If a new kind of morning dish, radically different from others, is to be marketed, it would probably be necessary to use reason to show why it is better to eat the new kind. This was the case when bran was first suggested as a breakfast necessity. Then again, reason may be used to show how the use of new commodities does not break old habits. Here we have the example of the various bran foods recently put on the market which resemble the old varieties of breakfast food, but also contain the new ingredient.

3. When the price of an article seems too high to the customer, it is often effective to call upon reason. When the shopper knows why the price is so high, he is better able

to appreciate the value of the article. As, for example:

SALESPERSON—Is there something that I can show you?

CUSTOMER—Yes, I would like to see the Hartman trunks that you are having a special on today.

SALESPERSON—They are right over here (*leading the way*).

I came up to where there were two of the trunks which were on sale and began to examine them, while the salesman stood by for a moment.

SALESPERSON—This is a good value. We have been selling the same trunk for five years and know that it is one of our good values.

He began to display its good points. He showed how the drawers operated and how they were locked. The trunk attracted me and seemed to be what I needed. I pulled out the drawers and examined them in detail. I noticed that the price had been $50.

CUSTOMER—Did these really sell at that price?

SALESPERSON—Yes, that is the usual price.

CUSTOMER—May I see what you have that is better?

We went over to several high-grade trunks and had a good look at them. The salesman took great pains to show me the differences in each kind of trunk.

SALESPERSON—In these trunks you get more conveniences, but that is all. The one you first looked at is just as good and will wear just as long.

I went back and took a second look at the trunk on special sale.

CUSTOMER—I notice that there are some hangers here for ladies' dresses. Will you give me some other hangers instead?

SALESPERSON—I'll do that and will add an extra, since these are more expensive.

CUSTOMER—Then I'll take the trunk, for it suits me quite well.

SALESPERSON—Would you like to have your initials placed on it?

CUSTOMER—Yes, I should. Will you have them put on the bottom?

SALESPERSON—Gladly. What color will you have?

CUSTOMER—What color do you think would be the best?

SALESPERSON—Red is a very good color. It shows up very well.

CUSTOMER—All right, make it red. And will you be sure to send it out Monday afternoon?

SALESPERSON—I'll be sure to do that and will see that it is there by 1:30. (*As I turned to go*) I thank you very much and I hope you like the trunk.[1]

4. When competition is great, the customer has such choice of articles and places to buy that reason is the only sure method of deciding which one to take.

5. If things have equal appeal to him on the grounds of feeling, reason may be the deciding factor.

6. The proper sort of flattery produces a strong feeling of pleasantness in the customer. One of the most effective means of flattery is the use of, what appears to the customer to be, reason. When the salesperson starts to employ reason, the suggestion is that the customer is one of those rare individuals who does his buying on an entirely rational basis. After this subtle admission by the salesperson, the customer is frequently in a mood to agree with anything.

7. It may be wise to use reason even though the customer is easily convinced without it. If there is any danger of the customer's changing his mind after he has made the purchase, it is well to have him fortified with a supply of argument by which he can justify his action. Suppose a man who knows very little about motor cars takes a liking to a particular automobile and buys it without bothering to investigate it thoroughly. The salesman tells him *why* the car is a good one, even though the sale can be made without doing so. Later a friend asks him why he bought that kind of car and proceeds to criticize it. The man does not like to admit he made a mistake and repeats the arguments given him by the salesman, refuting the doubts of his friend. In so doing, he has strengthened his own conviction. If the salesman had not told him these things, the statements of his friend would have been taken as true, there being no rival ideas, and he might have been dissatisfied with his purchase.

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 107-108. A. W. Shaw Company, Chicago, 1924.

PRINCIPLES AND TYPES OF SUGGESTION

While people desire to be rational, it is not always the appeal to reason which motivates them, in spite of what the customer thinks. More often, if reason is present, it is in the form of a rationalizing argument to justify the action of the customer. When suggestion is used, it is wise to include a rationalizing argument either before or after the suggestion.

The power of suggestion was treated to some extent in Part III. For that reason, the subject will not be discussed thoroughly at this junction. The principles of suggestion are the same, whether they operate through printed matter, spoken words, or the action of the salesperson.

We have learned that every suggested idea tends to be carried out in action unless it is inhibited by contrary ideas, habits, or physical circumstances. If the salesman sees no particular obstacle in the way of a suggestion, he will find it effective to mention whatever will convey it properly. He will also take pains to remove obstructions either by reason, or by further suggestion.

It may be well to repeat several of the main points in the use of suggestion mentioned in relation to advertising. We learned there that suggestion is usually employed in one of three channels: (1) sensory appeal, (2) appeal through command, assertion or invitation, (3) appeal to habit, emotion, custom, convention, sentiment, and the like.

USE OF VARIOUS TYPES OF SUGGESTION

Suggestive sensory appeals are not of such importance in retail selling as they are in advertising. The reason for this is that in retail selling, it is often easier to produce sensations by an actual display of the merchandise than it is to create them by a suggestive appeal. It is more simple to let a customer feel the softness of cloth than it is to give the impression of softness through the opera-

tion of imagination. Sensory appeals are often used effectively in window and show-case display, however. "Delicious-looking" candy in a show-case has a strong sensory appeal which is distinctly suggestive in nature.

Appeals through command, assertion and invitation are quite effective in producing conviction in the retail customer. If the customer cannot decide which article he wants, after seeing several, the salesman may pick out the one experience has taught him will be most likely to satisfy the customer's need and remark "I would take this one, if I were you." Provided there is nothing to hinder the customer from so acting, he will buy the article mentioned by the salesperson. It must be remembered in this connection that positive suggestion is generally effective, while negative suggestion is bad policy. Negative suggestion brings up rival ideas. If the clerk should say, "I don't think I would take that; I would take this one, if I were you," three competing ideas have been introduced, namely, the idea of taking the first article, the idea of rejecting it, and the idea of taking the second article. After such a process, it is often necessary to appeal to reason to produce conviction.

Considerable mention has been made previously of suggestive appeals to habits formed in the life of the customer, and to the customs and conventions of the community. In dealing with retail customers, however, it is seldom practical to pick out one of these complexes of habit and desire and aim an appeal at it.

The successful salesperson, however, by experience comes to know that certain appeals are effective in dealing with certain types of people. The clothing salesman knows, for instance, that men like to wear conventional clothes, that they want coats and trousers, like other men have. They want clothes that are in style; some men preferring the extreme, and others more "quiet" models. There are many cases in which the statement, "This is the kind you have always bought," is regarded as sufficient reason for continuing to buy the article.

FACTORS IN THE VALUE OF SUGGESTION

Before the law, we are told, a man is innocent until he is proved guilty. In the court of human belief, like conditions prevail. Every idea not contrary to habits, custom or convention is held to be true unless it is shown to be false. If the salesman says, "Madam, this is a fine piece of goods," the customer believes it is so, unless her better judgment or some former experience finds reason to doubt the statement. The salesperson should therefore strive to have a reputation for honesty. Dishonesty is not only unfair to the customer, but also unwise from the standpoint of consequences, to make extravagant statements.

Numerous elements combine to determine the value of suggestion. Because of previous discussion, the most important of them are outlined here, with no further treatment for the present. We may say that the value of suggestion in producing conviction depends upon:

(1) The prestige of the source of the suggestion;

(2) How far the salesperson can make the customer concentrate or confine attention to the particular goods;

(3) The absence of contrary ideas;

(4) How much the acceptance of suggestion will disturb the present habits and conventional beliefs of the customer;

(5) The continuity of suggestion and the force with which it is presented.

APPEALS TO EMOTION AND IMAGINATION

An appeal to an emotion or an emotional complex[1] often results in conviction which leads to an implosive action. It is due to internal excitation, and the action shifts gradually from simple reflexes to reactions resulting from strong and

[1]For a detailed study of the emotions, see, Seashore, C. E., *Introduction to Psychology*, chap. xxi. The Macmillan Company, New York, 1923. The section on the function of the ductless glands and their relation to the emotions points to the many possibilities in this unknown field.

obstinate feelings. In such cases, the emotional elements overshadow the logical or intellectual motivating control. The florist realizes this when he persuades a man to take flowers to his wife or sweetheart. The man pictures the happiness it will cause his loved one, which in turn is productive of an emotional disturbance. If one is emotionally inclined to do a thing, and there is no hindrance to the action, it takes place without the aid of reason.

Imagination like emotion may play an important rôle in the production of conviction. Any mental picture of past experience which conveys the belief that it represents an actual event in the life of the individual, is called memory. However, when it carries the belief or conviction that the mental picture is something new, it is called imagination.

Imagination is either passive or active. There is a gradual transition from the most passive type to the most active type, from the most spontaneous, unrestricted, fantastic and fanciful to the most logical, rigorous and labored imagination. As a rule the one kind blends into the other—the fantasy to rational creation. Imagination is not always an expression of self in invention, research or creation, it is, most of the time for most individuals, a mental function which is productive of exquisite feeling, vivid perception, lifelike memory, rich thoughts and action.

Seashore[1] has the following classification of imagination types:

1. *The sensuous type* is characterized by luxuriant and realistic imagery in terms of which experience is created and re-created. Instead of recalling experience in a matter of fact way, one endowed with this imagination at once reconstructs experience in images more or less fantastic, conventionalized, idealized, and enriched, and often so molded as to embody his feelings, biases, and aspirations or fears.

2. *The intellectual type* is ordinarily spoken of as the scientific or philosophical imagination. Creation takes the form of proposi-

[1]Seashore, C. E. *Introduction to Psychology*, pp. 268-270. The Macmillan Company, New York, 1923.

tions, theories, postulates, and logical ideas more or less concretely and directly represented in images. The sensory and imaginal elements are relatively in abeyance and the process is cool and deliberative.

3. *The sentimental imagination* . . . . is characterized by its tendency to idealize experience in terms of the higher sentiments. Objects and events assume meaning with reference to remote ideals, or sanctions, such as harmony, unity, pleasure, or the opposite of these.

4. *The impulsive imagination* is that which results in display of feeling and the arousal of the emotion in others. It lacks logic, poise in sentiment, and continuity of effort.

5. *The motor type of imagination* . . . . lacks the appearance of mental creation and often suggests the effort of the plodder. It appears in the person whose interests are practical and who can foresee only as he gradually works out situations by doing.

6. To these may be added the *balanced imagination*—that which includes each and all of the type-traits in well-developed symmetry.

The sensuous type, or the sentimental kind of imaginative person can be convinced by an appeal to change, ideals or sanctions; while the intellectual type will react most readily when reason or logic is used as a basis for persuasion. The motor type is most sensitive to an appeal to the practical aspects of any proposition. The impulsive type is the most difficult individual to sell merchandise to satisfactorily. This type will readily buy but just as quickly return the bought merchandise.

An appeal to the imagination enables the salesperson to show how an article will solve the need of the customer. The clerk who contents himself with a mere description of details is selling quality, price, texture, and the like, things which are hard to sell. The salesperson who appeals to the imagination of the customer is selling utility, comfort, economy, and such, just the things which are needed to satisfy wants and desires. The customer's ultimate interest is in fulfilling his need; quality, construction, and price may be the external standards by which mediums of satis-

faction are judged, but it takes a bit of imagination to relate these details with actual satisfaction.

If the pictured satisfaction is productive of a feeling of pleasantness, it will lead to desire and action. A sufficient feeling of pleasantness amounts to conviction if no preponderance of rival ideas is present. In suggesting the uses to which an article may be put, therefore, it is well to mention the things which are known to be associated in the mind of the customer with the feeling of pleasantness.

A phonograph salesman, for instance, would not find it effective to try to sell a machine to anyone but an expert on the strength of the fine construction and the elegant finish of the article alone. To an expert, these items have meaning and value, but to the average customer, they are not so important. Ordinarily, people buy phonographs for the enjoyment they get out of them. The salesperson is wise, therefore, in mentioning how well the machine will fit into the home. The feeling of pleasantness is usually associated with "the home," and the suggestion on the part of the salesperson is likely to bring up just such a feeling. Then it might be effective to picture the pleasure the family will derive from having the machine in the home. In this way the customer images how the article will satisfy his desire which prompted him to come to the store, and he is likely to become convinced that he ought to buy it.

REMOVING INHIBITIONS AND COUNTER IDEAS

If these methods of producing conviction are not successful, it is because the ideas presented are inhibited. Counter ideas exist in the mind of the customer. These may become evident as the sales situation progresses, or it may be necessary for the salesperson to draw them out by making inquiry. The sale clerk must know what objections are present before he can overcome them effectively. A typical illustration of the salesperson's failure to meet the customer's objections is found in the report on the opposite page.

SALESPERSON—Is there anything I can do for you?

CUSTOMER—I would like to see something in a Scotch grain oxford with an overlapping saddle strap.

SALESPERSON—Never heard of anything like that; but we just had a new shipment of oxfords, genuine Scotch grain; sell for $8.

CUSTOMER—This is not what I wanted.

SALESPERSON—This is a peach of a value; let me get your size. You can't get anything to duplicate it for more money. It's a bargain.

CUSTOMER—I don't like the shape.

SALESPERSON—It looks good on you; you can't get a better buy for the money.

CUSTOMER—It looks like good value, but how can you people sell a good oxford for $8 when others sell for $12 and $14?

SALESPERSON—(*evading the question*) I'll say that's good value; you can't get anything better for the money.

CUSTOMER—I'm sorry, but I think I want something a little better.[1]

There are two types of objection, (1) reasons and (2) excuses. If the objection is real and well founded, it is usually best to meet it squarely and overcome it by the use of reason. If the objection proves to be merely an excuse, it need not be seriously considered. It is better to work on positive selling points than to waste time trying to overcome excuses.

It is frequently difficult to produce conviction because of external distractions. If a band comes down the street at the head of a parade, and people rush to the store window to see it, the sale clerk has a hard time to hold the customer's interest long enough to produce conviction. Smaller distractions have the same effect, in lesser degree. It should be the policy of the store to have it as quiet and orderly as possible in order that little annoyances do not hinder salespeople and customers in their transactions. Annoyances

[1]Kneeland, Natalie. *Cases in Retail Salesmanship,* pp. 140-141. A. W. Shaw Company, Chicago, 1924.

are likely to bring on the feeling of unpleasantness, which, though it be slight, renders the work of selling more difficult.

SUMMARY

Conviction that the purchase of an article offers the best solution to his problem of need must be induced in the customer before he will buy. This conviction may be brought about by confidence in the store, the merchandise, the salesperson, or a combination of these three, usually the latter. Confidence is secured largely by the feeling of pleasantness in the customer, induced by the agencies just mentioned.

Conviction is also secured by appeals to reason, habit, impulse, imagination, emotion, and suggestion. The proper choice of methods depends upon the total situation. Suggestions have been given as to when the various methods should be employed.

If these methods of inducing conviction are unsuccessful, it is because the ideas presented are inhibited or blocked. The inhibitions and obstructions must be removed or overcome before conviction can be realized.

We have now become familiar with four of the factors involved in the sales situation. In the next chapter we shall take up the other two factors. This will include decision, secondary desire, action, and satisfaction.

PROBLEMS

VIII—1-7, 11.
X—35, 37, 39.
XIII—13-16, 21, 26, 35.

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XXV

THE SALE: DESIRE, DECISION, ACTION, AND SATISFACTION

Interplay of conviction, desire, and decision. Creating and influencing secondary desire. Some appeals which create desire. Strengthening desire by removing obstacles. Factors which block desire. Forming decision. Will or voluntary action. Action—the purchase. "The psychological moment." Recognizing the "psychological moment." What to do when the closing moments arrive. Satisfaction. Aids in producing satisfaction. Opening a second sale. Dismissing customers. Analyzing success and failure. Summary.

DECISION usually follows conviction, but it is not always that the customer buys. That is, conviction does not necessarily guarantee the fulfilment of all the conditions necessary for selling. It is only one of the factors in the sales situation.

Too often the salesperson fails to make a sale because he does not realize the customer is not actually conscious that a real solution to his problem or need has been found. The salesperson should investigate, and if such is the case, call attention to the fact that the problem has been solved. Then again, even when the salesperson points out that the solution is at hand, the customer seemingly has no desire to act. It is this secondary desire, to obtain possession of the thing he is convinced will satisfy the fundamental need, that must then be developed in the customer. Even though he is convinced that a certain article will satisfy a need which he knows to exist, he may have no particular yearning to possess it.

Conviction usually brings with it this secondary desire, which amounts to a conative complex directed toward possession of the article which the customer is convinced will satisfy a fundamental need. If the ideas which terminate

in conviction are accompanied by the feeling of pleasantness, a desire to buy the article is usually present. But if the feeling of unpleasantness is attendant upon the ideas leading to conviction, it is probable that no eagerness to purchase the article will result.

While the customer does not know why he does not want to buy, yet there is no particular urge for him to act. Something is inhibiting action, though the customer is unconscious of it. Desire and action follow conviction, unless thwarted by other forces—sensations, habit, feeling, or idea.

On the other hand, the customer may have a desire to buy without consciously having formed any conviction or formal decision. The desire may be immediate, that is, impulsive, emotional, or due to suggestion or habit. In such cases the customer usually realizes the desire to act and then rationalizes to justify the action. It may be said that often conviction really follows desire. For instance, suppose a woman sees a dress in a shop window which appeals to her very much. She stops to look at it and wants to buy it. She has not gone through the process of realizing that she needs a dress and that this one will solve the problem. She simply likes the dress and wishes to possess it. It is not difficult for her to find reasons which convince her that she ought to buy it. After she has gathered these reasons, they may seem to her to have been the guiding factors in her decision. Her process of rationalization is to justify action rather than to produce conviction which would lead to desire and action.

CREATING AND INFLUENCING SECONDARY DESIRE

The production of desire, like other "steps" in the sales situation, cannot be assigned a definite chronological position. Desire should be produced throughout the entire sale, not merely at the closing point. It is taken up for discussion here because it is one of the factors which becomes most evident closely preceding the final step, action.

If the salesperson makes the customer conscious of an unfulfilled need and shows him how an article may satisfy the want, desire is the natural consequence, unless rival ideas are competing or blocking action[1]. When a small boy enters a confectionery store, plainly hungering for sweets, and the man behind the counter shows him that a certain kind of candy will satisfy the want, a desire for the candy is created. It may be that the boy has trouble in deciding which of several kinds he will buy; in that case several ideas are competing for supremacy. The hunger for sweets which the boy possessed when he entered the store, we call need or *fundamental* desire; the conation to have a specific kind of candy is *secondary* desire. It is the latter with which we are concerned at present.

SOME APPEALS WHICH CREATE DESIRE

If an *appeal to imagination* showing how the article under consideration will satisfy the primary need succeeds in producing the feeling of pleasantness, then desire and action will follow, unless blocked by rival objects or outside circumstances. If the lad mentioned in the preceding paragraph were to stand looking in the store window imagining how good the candy would taste (which amounts to a consciousness that the article would satisfy his want, accompanied by feeling) this principle would be illustrated admirably. In this case, however, the boy is doing his own imagining. In more concrete cases it is necessary for the salesperson to aid the customer in his imagination, by the use of suggestion.

An *appeal aimed to secure an emotional response* is frequently effective in the production of desire. If the emotion aroused has a sufficient element of pleasantness, it can bring about strong desire. The argument "if you love your wife, you ought to make her happy by purchasing a washing

[1]See Chapter I and pages 334-335 for a more detailed discussion of the psychology of desire.

machine to relieve her of drudgery," couched in less bald terms, of course, is likely to produce strong conation, for instance. Human interest stories, though they may not be productive of strong emotional reaction, often bring about a feeling of pleasantness sufficient to produce desire.

Mere interest in an article may develop into a desire for it. If the salesperson secures a man's interest in an article, the customer tends naturally to devote thought to it. If this reflection is accompanied by a feeling of pleasantness, desire for the article is likely to follow. Such a feeling will be present if the clerk guides the consideration toward pleasing attributes of the article. It also happens that thought is more likely to be agreeable than disagreeable, because people are more interested in things which produce the feeling of pleasantness than things which do not. This increases the importance of securing the interest of the customer early in the sales situation.

STRENGTHENING DESIRE BY REMOVING OBSTACLES

Once a desire has been aroused, the tendency to buy is continually surging back and forth. The salesperson may strengthen the urge by summing up the positive arguments for making the purchase and adding a good suggestion. The suggestion may be an appeal to authority, such as the statement that some person of note uses the article, or that it has been recommended by a prominent expert.

It frequently happens that desire, as well as conviction, is inhibited by the presence of a counter idea in the mind of the customer. Perhaps the salesperson has let fall a negative or adverse suggestion earlier in the sales talk. In such a case the rival idea may often be overbalanced by the introduction of a new idea, or by sufficient reinforcement of positive notions already introduced.

A father has come to a bookstore to purchase several volumes for his small son and daughter, let us say. Perhaps the salesperson has made the mistake of pointing out the bad

features of many books intended for children, by way of emphasizing that the set he is trying to sell does not possess the dangerous elements. The father gets the impression that perhaps all books of the type he has in mind may be harmful, and while the volumes shown by the salesperson seem to be what he wants, he hesitates to buy them. The salesperson cannot contradict his statements as to the inadequacy of competing books; the only thing for him to do is to repeat the attractive points about the set he is showing, with the possible addition of new features which are likely to turn the balance in favor of the sale. If these are properly emphasized, the objectional features tend to disappear.

There are times when suggestion is not powerful enough to be realized in action without additional stimulus. For instance, a man passes a fruit stand and sees apples displayed there. The mere sight of them is a suggestion to buy some. This suggestion alone does not happen to possess sufficient potency to produce action. If the owner calls out, "Nice delicious apples today, three for a dime," the suggestion conveyed in these words may arouse desire which, added to the first suggestion, brings on the act of buying.

FACTORS WHICH BLOCK DESIRE

Among the factors which may block desire are:

1. *Too high price.* Money represents potential possession of other articles which may create stronger desire than the article under consideration.

2. *Objection from friends or companions.* If others present do not like an article, the suggestion may cause the customer not to desire it.

3. *Ideas of better ways of satisfying the need.*

4. *Ideas of competing goods.*

Any one of these factors is likely to block action. The salesperson must make every effort to remove this feeling, which is evidenced by requests to see other merchandise,

mention of competing commodities, moving away from goods, and similar actions. These may be disposed of by the methods discussed under the heading of conviction, which were, briefly, (1) overcoming counter ideas by reason; (2) disregarding excuses which are obviously not serious; (3) removing external distraction; (4) supplying positive reasons for buying which will justify existing desire or decision.

FORMING DECISION

Forming a definite decision is not a process which enters at a particular juncture in the sales situation. It is a gradual development from the beginning of the attempt to solve the customer's problem. It usually becomes evident, however, as soon as the solution of the problem has been found.

We may say that decision is formed, that is, the process of decision becomes complete, principally when one of three sets of conditions prevails. These conditions are as follows:

1. When the buyer becomes conscious of an idea or ideas of action which are productive of interest.

2. When the progressive development of ideas throughout the sale is productive of desire for the particular merchandise. In the sale reported below, the salesperson, by careful observation of the customer's remarks and actions, was able to influence the buyer's desire and finally aid her in making the decision.

I entered the millinery department, which was crowded, picked up a hat which interested me, and stepped up to a mirror to try it on. Just as I had it on, a saleswoman came up.

SALESPERSON—Are you being waited on?

CUSTOMER—No, I am not; but I would like to look at hats.

SALESPERSON—Just sit right down here (*bringing a chair for me and one for my mother*).

Then she was off, having only given a glance at the hat I had on, and with no questions as to what kind of hat I wished. She came back with three, two of somewhat the same color as the one which I had picked out, and one of a different color. All were becoming. Without saying much, she went away again and brought two more, which were also becoming.

CUSTOMER—I like these tan ones, for I have a dress of tan which I will wear with it.

The saleswoman did very little talking, but observed my remarks to my mother and to herself about the hats.

CUSTOMER—I don't like the color of this one. Do you have anything of the same shape in tan?

When she returned I had the first hat on again.

SALESPERSON—(*pulling back the feathers away from the face*) Would you like it this way? (*It was exactly my feelings about the feathers, which she had noticed without my expressing it.*) Just let me go in and trim these feathers up a bit.

The last hat which she had brought I liked very much and finally decided that I wanted either it or the first. The matter of price was not mentioned until the choice was centered on the two hats.

SALESPERSON—You see they are both the same price.

She knew that I had seen all the price tags myself. Then, seeing that I had partially decided on the second hat, she began for the first time to give some selling points as to the shape, material, and so forth.

SALESPERSON—(*as I had it on*) Now just come out here and see it in the light. Now isn't that pretty? It matches your coat beautifully.

We were a little doubtful about the color, in the daylight, but she convinced me that it was all right, so I said I would wear it home and told her to send the old one.

SALESPERSON—All right. I'll just fix this lining for you and you can wear it home.

After the transaction was finished we asked for her number so that my mother might come to her for a hat.

SALESPERSON—(*thanking us and smiling*) I'm sure you will like the hat. Good-by.[1]

3. When the customer becomes aware that the solution to his problem is at hand, because conviction has been produced.

Psychologists, partly because of tradition and partly because of convenience, divide action into voluntary and involuntary. The distinction, however, is not rigid nor mutually exclusive. Any action may involve involuntary as well as voluntary motion—both kinds of activity involve

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 136-137. A. W. Shaw Company, Chicago, 1924.

very complex neural patterns. All random movements, simple reflexes, habits, impulsive or ideo-motor actions are called involuntary. All action which is delayed or controlled consciously, giving opportunity for the operation of desire, deliberation, and choice, is called voluntary.

Impulsive or habitual action is simple; conscious or voluntary action is more complicated. It follows that if one can obtain action on an appeal to impulse or habit, it is more likely to be certain and positive that if conscious choice were involved. The salesperson who really knows what will satisfy the need of the customer saves time and energy for all concerned if he uses the "involuntary method" so far as possible. If he knows that other channels of action are open, besides the one he wishes to follow, it is unwise to try to force involuntary action.

We must notice that in conscious voluntary action the immediate antecedent of movement is ordinarily an idea. Movement itself, in the general sense, is guided by "remote" and "resident" sensations, which are usually automatic, but the particular motion or action is prompted by an idea. It must not be supposed, however, that all ideas produce movement; some ideas are blocked by contrary ideas. It is difficult to say just how action does follow preceding steps in the sales situation. It is probable that there is no particular process which always comes to set off the movement. The circumstances differ in each case.

It is the *total situation* surrounding an idea which functions as the element determining the point at which an idea is set off in action. A movement or action is not only the result of *an* idea, but of the whole mental context at the moment. So usually it is not because of a single idea or "sales point" that one buys, but because of the outcome of the whole mass of considerations that have been brought up in the sales situation. It is because all these elements —the history of the individual, his past experience, as well as the present situation—have combined to make the action desirable and productive of the feeling of pleasantness.

WILL OR VOLUNTARY ACTION

Will or choice of action is really exertion in the control of the course of ideas. Choice relates to ideas and not to action, because action follows ideas. When we say we decide between two actions, we really choose between the ideas of the consequences of the actions. We choose an idea because of the thought of the results its realization in action would bring, or because it happens to dominate our consciousness at the time. We elect the one whose contemplated results are most suggestive of producing satisfaction. This is practically the equivalent of saying that we choose an idea because it "happens" to dominate our consciousness at the time because we are interested in things due to our personal organic history, and our interest determines what shall dominate consciousness.

The factors which determine choice may be classed according to three types: (1) inheritance, personal habits and interests; (2) ideals derived from society, limited by personal experience; (3) sensory factors in the immediate environment. The first two factors may be constantly opposing each other. Perhaps a somewhat remote example will serve to illustrate this. Suppose a young woman in an average American village, where morality is strict, has an impulse to buy a package of cigarets and smoke them. Personally, she is extremely interested in anything novel, and she is in the habit of "doing anything once." The ideals set up by local society, however, are opposed to such an action on her part. She is necessarily influenced by these standards. Here both types of factor are battling for supremacy. Whether or not she will purchase the cigarets depends on the relative strength of the two. The decision, moreover, is based upon the contemplated results of the courses of action open to her.

Choice is based largely on past experience. Whether or not the consequences of proposed action seem desirable depends on what lessons have been learned as a result of

previous action or observation. The young lady in the example just mentioned knows that actions not approved by the ideals of the community have brought the feeling of unpleasantness, and, perhaps, that friends of hers who tried smoking became ill as a result of indulging their curiosity.

In actual practice, choice is largely a matter of habit. If two courses of action are open, other things being equal, the one which is most habitual will be chosen. The fact that one course of action is more habitual than another indicates that the first has less opposition to its realization than the second one. If a man is in the habit of buying a particular brand of cigar, other things being equal, he will choose that one in preference to others, if a choice is afforded.

ACTION—THE PURCHASE

Action is the normal resultant of the previous "steps" in the sales situation. If the article under consideration really satisfies the customer's need, and the combination of conviction, decision, desire, and such factors has been properly handled, the problem of action is automatically solved. If preliminary measures have been neglected, however, it is useless to try to force action until the salesperson has returned to the foundation of the sales situation and supplied the missing elements. If the salesperson is ready to seal the bargain, only to discover that he has not gained the confidence of the customer, he must put off closing the transaction until he has secured this good faith. It is obviously more effective, and easier, to build right in the first place than to go back and bolster up the weak spots in the sales situation.

Several "tricks of the trade" may be used to aid desire in bringing on action, some of which have been mentioned previously. All of these may be used at almost any juncture in the sales situation. Among the things which the salesperson should strive to do are:

1. *Have the customer handle the goods, if possible.* Touching merchandise gives rise to sensory impressions and, above all, constitutes action toward the article.

2. *Have the customer admit the utility, appearance, and apparent satisfaction of the goods, its possibility of solving his problem of need.* The experienced salesperson realizes the importance of getting the customer in the "affirmative mood," so that he answers "yes" to questions. If the salesperson gets the customer to agree with him on several minor points which quite obviously demand an affirmative answer, the habit of saying "yes" is established. After such "yes," it becomes more difficult for the customer to say "no."

3. *Have the customer assist in the demonstration of goods.* If the customer is asked to hold an electric vacuum cleaner while the salesperson steps over to turn on the current, for instance, the attention of the customer is secured and the ensuing interest is effective in bringing on the other factors in the sales situation. The probability is that after the customer has held the machine, she will want to operate it herself, to see how it works.

4. *Avoid negative terms.* Negative terms often suggest the opposite of what the salesperson wants the customer to think. They are also apt to get the customer into the habit of saying "no" when he should be saying "yes."

When desire has been produced, and the other "steps" have been completed, the "psychological moment" for closing the sale is at hand.

"THE PSYCHOLOGICAL MOMENT"

A program of selling which arbitrarily divides the elements of the sales situation into various steps is apt to be misleading. We must remember that we have artificially segregated factors and functions, in order that we may observe them independently of each other. In actual practice, they

seldom appear alone, but rather in combination, operating jointly for the same purpose. Perhaps the most frequent wrong impression that we are likely to have thrust upon us in this manner is the belief that a sales situation has one, and only one, "psychological moment."[1]

As a matter of fact, it is not necessary for the salesperson to go through the steps of the sales situation in any particular order. Often some of the most important of them may be omitted entirely. If the salesperson realizes that he has the confidence of the customer at the start of the transaction, for instance, it is not necessary to go about securing it. The customer may be convinced that a certain article will satisfy his need, before he enters the store; in that case the salesperson does not have to produce conviction. In fact, the customer may be thoroughly prepared to buy the minute he steps into the store, and the salesperson who insisted that all the steps in the sales situation be carried out fully would indeed show poor judgment.

The "psychological moment" is the juncture at which the customer is ready to buy, and may appear at any time, regardless of what has been done by the salesperson. The salesperson should therefore try to close the sale whenever the customer seems ready to buy, whether or not he has fulfilled the usual routine of the sales situation. If one "psychological moment" passes, he can go on with the process until another such opportunity offers itself. As a matter of fact very few sales situations, especially in retail selling, are completely in accordance with the ideal plan of operation outlined for our study.

All of the steps of the sales situation are directed toward a favorable reaction at the "psychological moment." If this closing point arrives sooner than it is expected, it is useless

[1]The term "psychological moment" is used here because of the sanction given it by popular usage. Technically, it is apt to be misleading. It is used here to denote the "closing point," that is, the point in the sales situation when it is most effective to urge the customer to buy. It does not refer to a particular juncture at which the principles of psychology may be applied; psychology is concerned with the whole sales situation, from beginning to end.

and even harmful, at times, to add to the complexity of the selling process by insisting that the other steps be included. For this reason, it is important that the salesperson recognize the closing point when it appears.

RECOGNIZING THE "PSYCHOLOGICAL MOMENT"

Unfortunately, experimental psychology has not accurately determined a scale which indicates the precise arrival of the psychological moment. The experienced salesperson, of course, has come to recognize it by relying on observations of previous sales situations. Here again, general statements are hardly in order. The occurrence of the "psychological moment" is dependent on the total situation and not on any particular element. It is the full combination of factors present, which determines the closing point, rather than any one factor. The salesperson who is alert and observant learns that when the customer reacts in a certain way to a certain group of circumstances, the "psychological moment" is at hand. This knowledge is the result of experience, and until more scientific experiment has been performed on the subject, empirical judgment must suffice.

Several writers,[1] however, have attempted to set forth the conditions under which the "psychological moment" arrives. Their suggestions are frequently of aid to the salesperson. Among the factors which may be used to judge the appearance of the closing point are:

1. *The comments and questions of the customer.* The customer betrays his interest by the things he mentions and the verbal reactions he makes. He shows his desires in this way, also.

2. *"Expression in the eyes" of the customer.* The focus of attention is often shown in this way.

3. *Tenseness and relaxation.* Tenseness is likely to de-

[1]Among whom is Kitson, Harry Dexter, *The Mind of the Buyer*, p. 179. The Macmillan Company, New York, 1921.

note interest; relaxation which follows may indicate the opposition to bring about action.

4. *Action toward the article.* If the customer handles an object often and examines its details, asking questions about its construction, and the like, the probability is that the "psychological moment" is rapidly approaching.

5. *Requests to try on the article* (if it is clothing, and so forth), *or to view it under particular circumstances.*

WHAT TO DO WHEN THE CLOSING MOMENTS ARRIVE

When the salesperson realizes that the "psychological moment" is at hand, he knows that he has shown a sufficient selection of goods and that the preliminary operations in the sales situation are taken care of. The time has come to close the sale. Here it is well to employ methods which are suggestive of buying. Among these are:

1. *Ceasing to introduce new goods.* Further additions to the stock on display only tend to distract the customer's attention. As, for example, in the following sale:

I walked around in the department, looking at various display tables for a few minutes. Then a floor woman approached and asked if I desired to be waited on. I answered in the affirmative, and she called a clerk from nearby. I am not certain, but I think this clerk was one of a group who were rearranging one of the tables and did not notice me as I hesitated near an adjoining table.

The sales clerk asked what sort of undergarments I wanted. I asked to see some nightgowns of sheer muslin or nainsook. She took me to a table near the rear of the department and asked the size desired. Then she showed me one after another in rapid succession until she had indicated about a dozen patterns around the table. I wished she hadn't pulled out quite so many, as I hardly had time to really look at one, and the difficulty in deciding on a pattern was greater than if I'd seen fewer. However, I later considered each one more carefully, and then she made remarks concerning some of them, such as "pretty design"—"slight fullness becoming"—"this is called Ami French."

I had just about decided on a pattern when she brought out

another which I liked still better, and I immediately decided to take it instead. Then she could find none of that size on the table, and went to get one from the stock in the rear of the department. She returned after a minute or so to report that they hadn't any more at all in my size. I was much disappointed.

Then I asked if she had any cotton crepe garments with very small figures in the material. She did not. Then I deliberated again over my first preference and after she pointed out its values again, decided to take it.

While I was waiting for my change, I looked at some crepe garments, pajamas and gowns, at a nearby table, and another clerk approached me asking if she could be of service.[1]

2. *Focusing the attention of the customer on one or two articles which he seems to like best.* The more he thinks about the ones he likes, the stronger becomes the desire for the goods.

3. *Putting aside the articles selected, so that they can be seen to advantage.* As in the following report of a sale:

CUSTOMER—Can you find me a blue vase of some sort?

I led her to a table of vases.

CUSTOMER—This yellow one is pretty, and oh, what a gorgeous shade of rose in that one and isn't this one a pretty shape?

I saw that she liked all of them, and knew she surely didn't intend to buy them all. I also remembered that she had asked for blue. In fact, I had been holding a blue one all the time, but she had been too busy for me to say anything about it.

SALESPERSON—Let me show you how pretty this one would be with some of the California poppies in it.

I took the blue vase to the flower table and filled it with artificial flowers. I had her away from the other vases. The blue vase was what she really wanted, and she took it.[2]

4. *Emphasizing the features in which the customer seems to be interested.* If the customer's natural line of interest is followed, his decision seems more spontaneous than if it is induced by the argument of the salesperson. Also, the features in which the customer is interested indicate the standards upon which judgment largely will be based.

[1]Kneeland, Natalie. *Cases in Retail Salesmanship*, pp. 122-123. A. W. Shaw Company, Chicago, 1924.

[2]*Ibid.* p. 124.

5. *Summing up or repeating the most effective selling points.* This adds to the strength of the customer's impulse to buy, and furnishes material for rationalization to justify the action contemplated.

6. *Repeating the explanation of how the article satisfies the customer's need.* This includes appeal to imagination to show how the commodity will solve the customer's problem.

7. *Appeal to authority.* The salesperson frequently finds it effective to point out that the article is used by a friend or a prominent person with excellent results. Any special tests or claims made for the product by experts have strong suggestive value.

8. *Assuming that the sale has been made.* The salesperson may say, "Will you take it or shall I have it delivered?"

SATISFACTION

Upon first observation, it may seem that "satisfaction" is not exactly a distinct step in the sales situation. Viewed from one standpoint, satisfaction is the aim and result of the other steps, and not a process in itself. There are a number of factors, however, which are not directed toward bringing on the sale, but which are essential to the production of satisfaction. We add this last step in the sales situation to include these elements.

From at least one standpoint, the aim of the retail store is to earn as much money as possible, which is the equivalent of selling as much merchandise as possible in the long run. From another point of view, however, we may say that we are more interested in the satisfaction of the customer than we are in how much money the store makes. As a matter of fact, these two are largely coincident; the end is the same, but the approach is different.

A sales situation which does not end in satisfaction of

the customer's need or desire is not a complete sales situation. If the customer is not satisfied, he will either return the goods, demand some sort of an adjustment, or refuse the store his good-will. It is usually to the advantage of the store to return part or all of the customer's money, rather than to lose good-will. Good-will means repeat orders, orders from the customer's friends, and the general confidence of the public. It is one of the most important business assets. Thus the importance of satisfaction in the sales situation.

AIDS IN PRODUCING SATISFACTION

While satisfaction is the natural resultant of the previous steps, much of the final good feeling produced in the customer depends upon the service he receives after he has actually selected the goods he buys. Among the important factors in this connection are the following:

1. *Altering goods, if necessary.* Clothing and other articles often have to be altered or adjusted to meet the requirements of the individual customer. This is usually done after the purchase has been agreed upon. If the alteration is not properly done, the customer will not be satisfied; especially after his desire for the article has been aroused, only to find that it does not yield the satisfaction he anticipated.

2. *Delivering merchandise.* The customer appreciates being relieved of the bother of carrying things home. If goods do not arrive promptly, however, the customer is likely to forget all about the quality of the merchandise and think most about the delay in delivery. Satisfaction is not complete until the purchase is actually in the possession of the buyer; and, above all, it must arrive in good order.

3. *Methods of paying for goods.* The customer likes to pay for goods in his own way. If consistent with good credit policy, he should be allowed to do as he pleases. Often he would rather pay a trifle more in the long run on the in-

stalment plan than to pay cash. A charge account sometimes makes it seem easier to buy at a particular store. There is a psychological danger, as well as a financial one, in letting most people run bills too long. The feeling of unpleasantness which may arise as the result of an overdue account is apt to impair good-will, even though there seems to be no logical reason for it.

4. *Instructions as to use of the article.* If the customer is not familiar with the use of an article, the salesperson should give instructions as to how it is handled. Even though the commodity is of the best quality, the customer will not be satisfied with it if he uses it in the wrong manner.

5. *Adjusting difficulties and mistakes.* If a mistake has been made, no matter whose fault it was, it should be rectified to the satisfaction of the customer. The salesperson must guard against errors in filling out sales-slips and in having the goods wrapped and delivered to the buyer. A slight mistake may result finally in losing the good-will of a valuable customer.

The chief thing in selling, from one important point of view, is not to get rid of merchandise as quickly as possible, but to satisfy customers in as little time as is necessary. This field is one in which "Haste makes waste" is apt to hold true. If the sale is too rapid, there is danger in not accomplishing the complete satisfaction of the customer. This often results not only in wasting the salesperson's time, but also in the loss of the customer's confidence and good-will.

OPENING A SECOND SALE

When the sale has been completed, it is often effective to show the customer other goods. If the salesperson simply asks, "Do you want anything else?" it is probable that the reply will be "No." If something definite is suggested to fill an apparent need, or better still, if something is shown

which is in line with the customer's interest, the results will probably be more satisfactory. It is only necessary for the salesperson to get the customer's attention and interest, as confidence has been gained in the last sale. After producing conviction in the first case, the salesperson finds his advice carries weight in the second attempt.

Haberdashery clerks are frequently successful in bringing on a second sale, because the articles they have in stock are easily associated with one another in the customer's interest. The transition from shirts to neckwear is not great, for instance. If a man has purchased a shirt, he is "in the buying mood" and the suggestion of collars or neckties does not meet as great resistance as it might otherwise have encountered. The suggestion, however, should not be, "Can I show you a new cravat?"; but rather, "I have, here, a new cravat I am sure you will like." If the salesperson is too insistent, however, he may detract from the confidence resulting from the first sale, and lose the good-will of the customer.

DISMISSING CUSTOMERS

Whether or not the customer buys, he should be dismissed as if he were a guest. A show of good humor on the part of the salesperson suggests the same attitude to the customer. There is opportunity to obtain good-will, the value of which may be realized later on. If the customer asks to see merchandise which he does not buy, he feels more obligated to buy at some future time than if the clerk had never done him a favor.

ANALYZING SUCCESS AND FAILURE

If no transaction takes place, the salesperson may do well to analyse the situation so as to avoid a repetition of the same thing at a future time. The observation should be made with regard to individual and specific reactions, as well

as to reactions to total situations. That is, the salesperson should note how the customer reacts to remarks, ideas, questions, and demonstrations, in the first place, and also in what combinations these appear to make up the total situation. It is then possible to avoid the things which prove unsuccessful. It is even more important that attention be paid to the elements which have contributed to the success of a sale, in order that these may be repeated in the future. It is more effective to attempt to do things which are known to be good policy than it is merely to avoid undesirable features.

SUMMARY

The various elements in tne sales situation unite to bring about buying and satisfaction. These problems, especially those of conviction, decision, and secondary desire, are so closely related that it is difficult to discuss them separately.

Decision and secondary desire usually follow conviction, though not always. The former elements may be present without conscious conviction, or conviction may not be followed by desire and decision because the latter are blocked by competing ideas.

When desire does not automatically follow conviction, or when it is not strong enough to produce action, it may be induced by demonstrations of how the article under consideration satisfies the need of the customer. This may be accomplished by appeal to imagination, emotion, interest, suggestion, and the like. The obstacles to desire may be removed after the manner of resistance to conviction, which was taken up in the previous chapter.

Deliberated decision is the outcome of rivalry between ideas. Ideas productive of desire and action should therefore be suggested and inhibitions to desire and action be omitted or overcome as soon as possible. Choice relates to ideas of consequences, rather than to actions themselves. It is based largely on (1) inheritance, personal habits and interests, or (2) ideals derived from society, limited by

personal experience; (3) sensory factors in the immediate environment. In actual practice, it is mostly a matter of habit.

Action is the normal resultant of the previous factors in the sales situation. When the "psychological moment" or closing point appears, the salesperson should try to get the customer to buy, regardless of how much of the ideal process has been completed. If the attempt is unsuccessful, another such moment in the sales situation will appear later on, as a rule.

Satisfaction is accorded a place as one of the steps in the sales situation, because it is the climax to the whole process of selling. The sales situation is not complete without it. For this reason, the salesperson and the store management should use every possible device to aid in satisfaction, both before and after the transaction has taken place.

As soon as one sales situation is complete, it may be possible to open another, building partly on the elements of the last sale. While the salesperson has the confidence of the customer and the latter is in the "buying mood," it is often a simple matter to sell additional goods.

After the customer has been dismissed in such a manner as to retain his good-will, the salesperson will do well to study the circumstances surrounding his success or failure. This will enable him to profit by the analysis of the good points and avoid the bad ones in future sales situations.

Problems

IX—1, 3, 12, 18.
XV—2-7, 27.

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PSYCHOLOGY IN BUSINESS RELATIONS

PART IV

PSYCHOLOGY IN SELLING

B. Wholesale Selling

XXVI

THE PROFESSIONAL BUYER; THE SALESMAN

The nature of the professional buyer. The function of the buyer. The buyer receives salesmen when he has no intention of buying. Defense against buying unwisely. Two types of large-scale buying, wholesale buying for others; large-scale buying for personal use. The salesman. Planning the approach to the buyer. The buyer's need and his mode of reaction. Guiding the buyer's reaction. Preparing for emergencies. Securing interviews indirectly. Gaining the interest and cooperation of subordinates. Direct arrangement of interviews. Working up initial interest. Suggestions for the salesman and canvasser. Specialty selling. Summary.

Our discussion of retail selling was based largely on what we learned earlier about the nature of the consumer. In the retail store, transactions involve the consumer in person and the problem is to satisfy his wants. In wholesale selling, which now presents itself for observation, the place of the consumer in the sales situation is taken by a professional buyer, who is not trying to satisfy his own needs, but acting as the representative of other people. Though he is a human being, the same as the consumer, he reacts differently because his dominating idea or interest is not the same as if he were buying for himself. It is therefore necessary that we review the main points which distinguish the professional buyer from the consumer before we proceed with the study of wholesale selling.

The type of buyer with whom we are now concerned is the professional purchasing agent, a man whose business it is to buy as cheaply as he can the articles which a merchandising man tells him the store needs. In a small store, the buyer may also fill the position of merchandising man, or he may be the owner, but at present we are interested only in his function of buying what he knows the store needs—assuming that he is influenced only by his analysis of the market and free from the problems of management.

THE FUNCTION OF THE BUYER

When it comes to purchasing staple articles, such as canned goods or toilet preparations, the buyer's task is relatively simple. Where quality is standardized and likely to be uniform, and the goods are not changed frequently in response to the whims of fashion, the problem of the buyer is largely one of price. Certain brands and trade names indicate definite values upon which the buyer may rely. Through experience and the advice of experts, he comes to know goods thoroughly. He understands the principles upon which the market operates. With this as a basis, he keeps in touch with the variations in the market in an endeavor to buy as cheaply as possible, without sacrificing quality.

In purchasing other articles, however, the buyer has a more difficult task. Suppose the store wants him to buy 10 dozen men's ready-to-wear suits of various sizes and models, which are to sell at $50. He is sufficiently familiar with cloth and with the details of workmanship to judge quality, and he is well enough acquainted with wholesale houses to know what to expect from them. In addition, however, he must have the latest information as to style and market conditions. Because styles change from season to season, more so with women's clothing than with men's, these articles are not staple, and "bargains" are continually being offered the buyer. He must be well informed to do his buying intelligently.

THE BUYER RECEIVES SALESMEN WHEN HE HAS NO INTENTION OF BUYING

The average buyer receives calls from more salesmen than he could possibly do business with. The salesman renders him service, whether or not he buys merchandise. By looking over what is offered, and by asking intelligent questions, the buyer obtains valuable information as to the market, styles, patterns, new merchandising ideas and general de-

tails which will guide his selection when he does buy. If he knows what each house has to offer, he is not likely to be misled by any of them. Therefore he is willing to see a salesman when he has no intention of making a purchase.

The buyer must conserve his time and energy, however; he cannot give unlimited audience to every salesman who happens along. He develops the habit of rapidly "sizing up" those who enter his office. If it is evident that the salesman has nothing of value to offer him, whether merchandise, advice, or information, it is useless to spend time on him. If, however, he has something the buyer needs, then time is of secondary importance.

One of the methods by which the buyer protects himself is by making it hard to obtain an interview with him. The typical way of accomplishing this is to have an office secretary or clerk determine who shall be granted interviews. If this person is capable of "sizing up" salesmen and their propositions, so that he knows which ones will give information on market conditions and which ones have merchandise that will interest the buyer, the latter is partly relieved of many of his troubles. It is important, however, that the clerk or secretary be tactful enough not to destroy the goodwill of the salesmen who enter the office.

When the salesman has obtained an interview, the buyer "sizes him up" as quickly as is possible without too much risk of poor judgment, and analyses the proposition he has to offer. If the buyer is interested, he listens to what the salesman has to say, prolonging the interview if necessary. He naturally assumes a defensive attitude, because the salesman has come to him to stimulate him and get him to react favorably by placing an order with him for the merchandise he has come to sell. In retail selling, the customer feels a need and seeks the place where it can be satisfied. In the type of selling we are now observing, the need may or may not exist, but if it does, the buyer can have his choice of methods of filling the want, because salesmen come to him and offer what they have to satisfy it.

DEFENSE AGAINST BUYING UNWISELY

Being on the defensive, the buyer may protect himself against sales talk and illogical arguments by being critical and making the salesman "deliver the goods." His experience in buying teaches him to control his reactions, so that he is in less danger of buying impulsively than is the consumer. He is also guided by a considerable amount of technical knowledge and professional judgment based on:

1. *Knowledge of the market,* whether prices are rising or falling, and the like.

2. *Production, or supply and demand.* If he knows there is a large supply of a commodity on the market, he does not need to show haste in his buying.

3. *Quality of merchandise.*

4. *Style and fashion.*

5. *Retail demand.* It is necessary that the buyer be familiar with this phase of the market, so that he can buy the things which people want. He aims to purchase the articles which afford "quick turnover," so that the capital of the firm does not remain idle, invested in stock which does not sell.

The buyer may also protect himself by forming defensive habits. The writer has in mind a purchasing agent who seldom buys the same day he is approached. This gives him opportunity to analyse the proposition and determine whether or not the goods meet the need of the store, or whether he is being influenced by his own personal reactions. Again, if the buyer finds certain standards of judgment are accurate, he can make it a habit to apply them to the merchandise offered by the salesman. By consciously adopting a certain system of valuation, the formula soon becomes automatic, amounting to a habitual attitude of analysis on the part of the buyer.

When the buyer finds that the proposition of the salesman does not interest him, he naturally wishes to dismiss the man as soon as possible without incurring ill will. It is necessary that the dismissal be tactful, because at a later time, the buyer may require the aid and advice of the salesman. He will also be able to purchase more efficiently if he has the good-will of the salesman. Then, too, the house which employs the buyer is desirous of enjoying the good-will of everyone. A disgruntled salesman may impair the good-will of any firm.

TWO TYPES OF LARGE-SCALE BUYING

When we come to study wholesale selling, we must keep in mind two types of enterprise: (1) selling merchandise for resale, (2) selling where a comparatively large sum is involved, but where the buyer is presumably the final purchaser. The jobber who sells to the retailer is engaged in transactions of the first type; the real estate man's business represents the second. The first is strictly wholesale; the second is usually retail, though the large sum involved adds some of the characteristics of wholesale business.

These two types of salesmanship possess at least one particular trait in common, in addition to most of the general elements of selling. In both, the salesman has or should have opportunity to study his prospect and to plan his approach. Because the amount of money involved, and consequently the profit to the salesman and his employer, is comparatively large, the salesman can afford to take time to note the type and individual characteristics of the person he is to approach. Thus he is enabled to organize a systematic attack.

Some of the elements of difference between these types of sale transactions are important. We shall see that the salesman must vary his appeal considerably in handling the two, though the general principles underlying them are the same.

WHOLESALE BUYING FOR OTHERS

The man who is buying goods for resale, for instance, usually knows the "selling game" better than the casual purchaser. His experience has taught him to anticipate certain actions of the salesman and certain reactions on his own part. He realizes that his buying is supposed to be on a rational basis, because he is not purchasing according to his own likes and dislikes. The salesman must therefore adapt his sales talk and manner to meet the buyer on a like ground.

The professional buyer usually knows the market better than the casual purchaser. The salesman cannot depend entirely on arousing the professional buyer's interest and desire; the latter is already interested in what he wants and usually will not be interested in anything else. No matter what he desires, he can buy only what the store needs. The salesman must be prepared to discuss the market and to meet competition, rather than to depend wholly on an appeal to the personal desire of the buyer.

The professional buyer is primarily interested in purchasing merchandise which will "make a quick turnover" at a substantial margin of profit. He is not buying service, comfort or pleasure for himself. He judges largely as to whether there is a demand for the goods, or whether they will create a demand for themselves, more than on actual quality and utility. Of course, he wants to buy at as low a price as possible. Two cents' difference in price on an article may not mean much to a retail customer, but in a wholesale transaction, where thousands of the article are involved, the situation is different. Probably the main considerations in this connection are: (1) demand, (2) price, (3) present stock, (4) market conditions and future prospects, (5) certainty as to delivery of the goods. Of course, quality, utility, and like attributes are important in buying for resale, but they are secondary to these other standards. While quality, utility, and the like, may cause demand, yet the

buyer prefers to purchase merchandise for which he knows there is a demand, rather than commodities possessing attributes which *might* produce a demand. As in all other cases of selling, the salesman must adopt the customer's standards of judgment, not his own.

LARGE-SCALE BUYING FOR PERSONAL USE

In retail buying which involves comparatively large sums of money, such as the trade in real estate, automobiles, life insurance and bonds, the selling points are of the same nature as used by the salesperson in the store. Here the salesman is offering service, utility, safety, comfort, freedom from worry, and the like. Price is not always a great factor in this type of buying. The man who has plenty of money, for instance, does not hesitate to pay a considerable sum for an automobile, provided it is the one he desires. If the professional buyer operated on the same basis, he would be apt to undermine seriously the business with which he is connected. Market and general demand are of but little importance in retail buying, except in so far as these factors affect price.

The motives and methods of satisfaction are much the same in retail selling, whether the amount involved is large or small. Where large amounts are involved, of course, reason is apt to play a more important rôle than where the sum is a mere trifle. It should not be supposed, however, as some sales managers as well as psychologists assume, that the use of reason invariably increases as the amount involved grows larger. As a matter of fact, large sums often change hands on the basis of impulsive buying.

In selling such commodities as real estate and insurance, of course, the psychological influence of the store is either negligible or entirely absent. In such cases, however, the salesman's opportunity to study each prospect and prepare the best approach to him more than compensates for the effect the store might have on the customer.

THE SALESMAN

The psychological principles involved in all selling are fundamentally the same. We have seen by this time, however, that numerous minor distinctions exist between the various types of selling, due to the different conditions under which they operate. Because these principles have been discussed somewhat fully in connection with retail selling, especially in chapters XIII, XIV, and XV, we shall not repeat them here. We shall further attempt, however, to emphasize the points of difference between wholesale and retail selling, and to add the phases which were not taken up in former chapters.

In the first place, the wholesale salesman must make a complete study of his merchandise and the firm which is behind it. He must understand its use and the manner in which it compares with competing commodities. He must be familiar with market conditions in general, the factors determining the price of the commodity and why it becomes plentiful or scarce. In addition to all this, he must also have enough knowledge of retail selling problems to show why there will be a demand for his merchandise on the part of the public. He must know what type of customer trades at the store to which he is selling, in order that he may suggest articles and grades of commodities which will appeal to these customers. If he induces the buyer to purchase something which does not "move on the shelves," he destroys the confidence which the buyer may have in his advice in the future. That is to say, the manufacturer's or wholesaler's representative must know all that the retail salesperson knows and a great deal more.

PLANNING THE APPROACH TO THE BUYER

After the salesman has become familiar with his merchandise, with the market and with retail problems generally, his next task is to analyze the man to whom he plans

to sell. If he is acquainted with his prospect, this is not so difficult. If he does not know the man, much of this analysis, perhaps all of it, must be completed in a short interval of time. Usually, however, it is possible to find out something about the buyer, what connections he has, and what sort of man he is. The experienced salesman is on the alert for certain characteristics indicating personality traits which he must take into account in presenting his appeal.

Before approaching a buyer, the salesman should have a well-outlined plan of introducing his proposition. He must decide the general manner in which he is to present it so as to get the interest, conviction, and response of the buyer most effectively. It must not be supposed, however, that every successful salesman sits down and consciously lays out a formula to be followed in each individual interview. A commercial traveler who has covered the same territory for a number of years, for instance, may know his customers and their reactions so thoroughly that his approach to them is almost a matter of habit. He has become so familiar with his merchandise that it takes practically no thought to explain it. The general form of presentation is habitual; it must, however, differ for the individual buyer, a few new details or adaptations to individual situations are all that is necessary, from time to time, to make it effective.

At times when the salesman is not so familiar with his work as the example just mentioned, however, the task of planning an approach is difficult, though it need not cause worry or annoyance. This prospectus and anticipation of the reaction of the buyer ought to be one of the most engrossing details of salesmanship. In this operation, the salesman is afforded an opportunity to think, and plan, to use the ingenuity and originality he possesses.

THE BUYER'S NEED AND HIS MODE OF REACTION

The first item in the plan of approach is to define the need of the buyer, just as we found it to be in retail selling. Here,

however, the need is not individual and cannot be discovered by a diagnosis of the buyer alone. This need must be studied in terms of the need of the customers who trade with the firm the buyer represents, the stock the buyer has on hand, the financial standing of the community, and such factors. Then the salesman must find out what authority and responsibility the buyer has, whether he is allowed to act entirely on his own judgment and volition, or whether he must consult someone else before he can do business. If someone else aids in the choice of goods, the appeal must be planned to reach that person, also.

One of the buyer's characteristics which is of importance to the salesman is that of defense habits. It is necessary for the salesman to know when an objection is real and when it is an excuse offered as a result of habitual resistance to "sales talk." To some extent, the buyer's interests are those of the store, but the buyer has personal interests as well. It is often effective to appeal to these in securing confidences and adding prestige to advice. An analysis of the need, characteristics, responsibility and interests of the buyer should suggest to the salesman what sort of conviction must be induced to bring about favorable action. Here again, as in retail selling, *the salesman must adopt the standard of judgment employed by the buyer and not try to force his opinions on the other man.* The aim is to produce conviction in the buyer, not in the salesman.

GUIDING THE BUYER'S REACTION

While the buyer likes to think he makes his decisions independently of the influence of the salesman, it is really one of the functions of the salesman to assist him in his choice of goods. Every suggestion made by the salesman has bearing on the decision of the buyer; if the salesman is responsible for suggestions which eventually bring the feeling of unpleasantness to the buyer, he must suffer the consequences. In order to aid rightly in making a decision, the salesman

must secure the confidence of the buyer in himself, the merchandise, and the firm he represents. The methods by which he does this are the same as those used in retail selling, which it would be well to review if the reader is not familiar with them.

The salesman must try to determine what impulses and guiding forces bring on action in the buyer. He finds it effective to make the buyer act as much on the basis of impulse as possible, that is, he suggests a mode of action which will incur little opposition. To this end, he anticipates objections and tries to remove them. He does not mention them, unless they are inevitable and must be disposed of by means of reason, because that would be "bad suggestion." He merely tries to put them out of the way and avoid them so that they will not serve as inhibitions to action.

Action depends upon desire, and desire follows immediately when the ideas which bring conviction produce a habitual, impulsive or emotional response which is pleasant. It is the feeling of pleasantness that gives weight to ideas. When this exists in the proper balance, choice and action are imperative, as we learned in Chapter XXI.

The foregoing paragraphs have suggested some of the reasons for the careful planning of an interview before it takes place. The salesman must determine the general order of his presentation of ideas and questions to attract attention and develop interest; if he plans to demonstrate goods, he must decide when he ought to bring them out. The demonstration of merchandise frequently accomplishes most of the steps in buying. The demonstration and the "sales talk" should operate jointly to secure confidence, conviction, desire, choice, and action.

PREPARING FOR EMERGENCIES

Not all the interviews work out as the salesman originally plans them. Probably the majority of them do not, as a matter of fact. For this reason the salesman should pre-

pare for any emergency that may arise. It may even be necessary to reorganize the whole plan after the interview has started, as in the following example:

A piano salesman had been working for a certain sale for two weeks. The prospect was a widow who was buying the piano for her daughter. She had intended to buy a higher-priced piano until this salesman came on the ground and showed her a saving of $190 in buying his piano.

Then she decided that she would rather have the higher-priced piano for her daughter—that the extra prestige in its name was worth $190—satisfaction of pride.

The salesman was up against it. His strong talk on the $190 saving that had started things his way was ineffective now. He sat down at the demonstrating piano and as he ran his fingers over the keys seized the opportunity to do a little hard thinking.

"My only argument is the same quality at $190 less price," he reflected. "But she doesn't care so much for $190 as for that high-sounding name on the other piano. That's vanity—and the only motive I have to play on is money."

Then an idea occurred.

If vanity was a motive in buying a piano, couldn't he. . .

Well, here is what he did:

"Of course, you know, Mrs. Houston," he said as he stopped playing and turned round on the bench, "how you enjoy a piano depends more on the one playing it than on the piano itself. By the way, what instructor are you going to have for your daughter?"

"Miss Martin," the lady replied.

"Hum!" returned the salesman, "I would advise you to have Professor Habicht."

"Mercy!" she exclaimed. "He charges $5 for half-hour lessons! I cannot afford it."

"Miss Martin charges $2 a lesson, I believe?"

"Yes."

"Then," said the salesman, "the $190 you plan to spend by buying this other piano, is going to cost your daughter *60 lessons* that she *might* have with Professor Habicht.

"Sixty lessons under Habicht is too big a thing to overlook, Mrs. Houston, when your daughter's musical ability is at stake."

He got the woman to thinking about what that $190 *would buy,* and finally sold the piano.[1]

[1]Watson, Herbert. *Knack of Selling.* Book I, pp. 18-19. A. W. Shaw Company, Chicago, 1913.

This is often the case, due to the fact that the salesman has made only a partial or incorrect study of the buyer. He may not have been practical in his program for the sales situation, and the buyer may discover fallacies which necessitate discarding it entirely. The buyer may be in such a mood that he does not display the characteristics usually attributed to him. Though he is ordinarily a cheerful and pleasant man, he may happen to be out of sorts when the interview takes place. There is also the possibility of his being disturbed by influences usually foreign to the sales situation. The salesman's talk may have brought the buyer almost to the point of conviction when a fire engine dashes past the store and stops nearby. To repeat the same sales talk would not be as effective as it was the first time. New tactics must be used, and if the salesman is prepared for all emergencies he need have no fear of what may happen.

SECURING INTERVIEWS INDIRECTLY

In the discussion of retail selling, we did not mention the problem of securing an interview. The salesperson who remains in a store and has his customers come to him is not much concerned with the intricacies of getting to see the customer. The person with whom he is expected to do business is brought to him by other agencies, such as advertising, the good-will of the store, or the need of the customer. People come to retail stores with particular needs and interests. The "wholesale" salesman, on the contrary, goes to his customers to discover whether or not they have needs and interests which constitute a basis for the transaction of business.

Experience has taught the successful salesman many ways of obtaining interviews. Sometimes interviews are secured as the result of much ingenuity and maneuvering on the part of the salesman. More often, however, a reasonable amount of common sense and tact is all that is necessary. The buyer cannot hope to fulfil his function if he does not receive salesmen who cooperate with him in executing his

duties. If the salesman can be of service, and the buyer is made aware of the fact, the problem of securing an interview is not difficult.

When securing an interview directly is impossible, that is, when the salesman has no direct point of contact with the buyer, there are several points to be taken into consideration. The first is the handling of subordinates. The larger stores usually have clerks or secretaries whose business it is to conserve the time and energy of the buyer by allowing only certain persons to see him. If the salesman carries only articles which the buyer could not possibly purchase, it is much more practical for the assistant to survey the proposition and not bother the buyer with it.

If the salesman is to enjoy the good-will of the persons who guard the door to the buyer's office, he must respect their duties and not try to override them. They have their instructions to follow; disregard for orders would cause trouble for them. The only thing for the salesman to do is to induce a favorable attitude by the use of persuasion. In so doing, the salesman must be friendly and courteous, though it is important that he maintain his dignity. If he is undignified, the suggestion is that his proposition is of the same nature. He must be firm in his determination to see the buyer, but tactful enough so that he does not cause a feeling of unpleasantness in the secretary or clerk.

GAINING THE INTEREST AND COOPERATION OF SUBORDINATES

Frequently the salesman is able to secure the attention and interest of the assistant to such an extent that he induces conviction and even arouses a desire to let him into the office of the buyer. This is sometimes done by the use of novelty, such as a departure from the conventional greeting, or a discreet use of samples designed to interest the clerk or secretary. A really clever salesman often arouses the curiosity of the person in the outer office to such an extent that the audience is granted.

The salesman will not win the good-will of subordinates if he disregards their proper function or takes offense at their questioning his right to enter the presence of the buyer. If he treats them discourteously, or is too brusque or hasty, he is likely to spoil his chances of getting an interview.

A certain salesman never tells the clerk or secretary what his proposition is. He represents a line of goods which is not ordinarily in the range of interest of the buyer, but which, when properly introduced to the retail trade, creates quite a demand. When asked "What do you want to see the buyer about?" he replies somewhat as follows:

"I suppose you do like to know what a man's business is before you let him see Mr. Blank, because it would be wasting his time if he interviewed everyone who came along. And, of course, you'd get into trouble if you let someone in who didn't have anything worth while to offer him. I can do him quite a service, though, as he will tell you himself later on. The unfortunate part of it is that I can't exactly tell you what the proposition is. Mr. Blank wouldn't want me to mention it too specifically to you just now, though later on you will know all about it, I'm sure. I ought to see him right now, though, and——"

"Yes, but Mr. Blank won't see you unless I tell him what you want," interposes the secretary.

"If there's any trouble, I'm willing to take all the blame, but I know there won't be," says the salesman, with a smile. In such a case, if the buyer is willing, there is nothing to do but grant the interview.

So far as the ethics and general practicality of such an approach are concerned, it is difficult to make any definite statements. In the case of this particular salesman it was, in many instances, quite effective.

DIRECT ARRANGEMENT OF INTERVIEW

When the salesman is personally acquainted with the buyer, getting an interview is accomplished in other ways,

usually easier than the method of simply going to the office unannounced and trying to get in. If the salesman enjoys the good-will of the buyer, a telephone call to say that the salesman is coming to see the buyer is usually sufficient to arrange an interview. If the purchasing agent does not like the salesman, or if he is convinced from former experience that the salesman has nothing worth while to offer him, he is less likely to receive him than he would be to receive a stranger. The stranger at least stands an even chance of admittance. Personal relations differ so greatly that it is impossible to make general statements as to how interviews between acquaintances should be arranged. One thing is paramount in such cases, however; getting the interview, as well as conducting the sale, should be on the basis of business, rather than an appeal to friendship or personal relation.

A direct arrangement of interview is often advisable even though the parties to it are not acquainted. This is especially true if the sale is to be of importance, or if there is danger of the plans being frustrated by a wrong approach. Advance notice of the salesman's arrival not only lends dignity to the visit, but it gives the buyer a chance to prepare for the interview. Then there is no opportunity for the excuse that the proposition was presented so unexpectedly that a decision is impossible. Interviews are frequently arranged by telephone, letter, introduction by mutual friends, or by personal call to arrange a meeting at a later date. Just what method is best depends entirely upon the total situation at the time, and for that reason definite rules as to the use of different methods are hardly practical.

WORKING UP INITIAL INTEREST

When a customer enters a retail store, he is usually guided by an interest in a certain class of merchandise, or by a need which is conscious, even though it is not clearly defined. When the salesman goes to his customer, whether that

person is a professional buyer in a store, a man who is a prospective buyer of real estate or insurance, or a housewife visited by a house-to-house canvasser, the problem of calling attention to the need is of greater importance. A man who carries no life insurance may have a much greater need than the woman who wants a hat and goes into the store to get it. In the first case, however, the salesman rarely finds a prospect who is thinking of the need at the time he is approached, while the lady who enters the millinery store plainly indicates that she is interested in hats. With her, it is merely a question of price, style, or liking for a particular hat; the insurance man may be called upon to develop primary interest in what he has to sell.

Usually when the salesman approaches a prospective buyer, the latter happens to be interested in something other than the salesman's proposition at the time. The buyer's interest must be diverted from what he was doing just before the interview started, and focused where the salesman wants it. As soon as greetings are over, therefore, it is usually best for the salesman to present in his first sentence a clear and comprehensive account of what he has to offer, in terms of the *specific* buyer's interests and needs. Here again, a general statement does not always hold true, for there are cases where it is necessary to dispose of objections before actually introducing one's proposition, necessitating a gradual approach to the subject.

SUGGESTIONS FOR THE SALESMAN AND CANVASSER

The salesman who seeks out his customers has several points to bear in mind which do not concern the salesperson in the retail store. Among the most important of these are:

1. *When the salesman asks for a buyer's time under the supposition that he has something worth while to offer, he must present the proposition in as short time as it is possible to do so effectively.* If he sells him something which

does not satisfy him, he can return his money. If he wastes the buyer's time, however, there is no adequate way of recompensing him. If the buyer realizes he is being imposed upon, his feelings of unpleasantness become so strong as to preclude favorable reactions to the proposition.

2. *The buyer will try to size up the proposition and get rid of the salesman as soon as possible.* This is part of the buyer's duty and it should not be resented. If the salesman presents what he has to say and to demonstrate in reasonable time, the buyer will have no cause for getting rid of him before he is ready to go.

3. *The buyer involuntarily reacts toward the seller with a feeling of unpleasantness which must be overcome by the creation of interest in merchandise.* Any attitude of defense involves a feeling of unpleasantness, and the complex reaction of the buyer is no exception. This attitude of defense is necessary in efficient buying, however, and the salesman must anticipate and overcome it.

4. *The salesman is trying to solve a problem for the buyer; this alone justifies the interview.* The buyer should realize that the salesman may be able to help him. The salesman should not feel that he is imposing upon the prospective buyer when he is honestly attempting to satisfy a need. He should feel that he is rendering service by showing his customer how he can profit by purchasing at a certain time or at a good price.

SPECIALTY SELLING

Very little has been said concerning the problems of the specialty salesman. The insurance agent, the investment broker, and the canvasser have peculiar problems which are not encountered by the "wholesale" and retail salesman generally. These are problems which are occasioned by particular circumstances, and which do not involve difference of

principle. Fundamentally, salesmanship the world over is the same, no matter what method or commodity is being handled.

Specialty selling is conducted, as a rule, from house to house. Whether the canvasser has a definite list of prospects whom he is to see, or whether he works blindly, calling on everyone along a street, the sales situation is much the same. This plan of distributing merchandise is often effective not only in selling goods, but in educating the public to the use of articles and in creating good-will, as well.

Frequently a canvasser is successful in selling merchandise at a higher price than is asked for the same quality of goods at retail stores. In house-to-house selling, it is easier to gain interest in a particular article or line of goods than it is in a store. There are not so many things competing for the customer's interest in the canvassing method. It is true, however, that the customer does not usually have the conscious need that she has when she goes to a store for something. The salesman must develop interest by a demonstration, or by a quick linking up of his product with the customer's usual household interests. If the article he is introducing is used in the home, he has the advantage of demonstrating it in the home, where he can show its utility and emphasize "sales points" by actual practice. He can arouse activity toward an article by letting the housewife use it herself in the demonstration.

A certain firm which advertises "a brush for every need" has established an effective selling organization which operates entirely on a canvassing basis. The average housewife does not realize how much labor and drudgery can be eliminated by the use of specially designed brushes to aid in cleaning. The agents of this company have been instructed to make demonstrations which show the utility of the brushes so well that the housewife is desirous of buying them. It is largely a matter of getting the interest of the customer, and the rest of the sales situation is the same as any other.

SUMMARY

We have now completed our observation of the sales situation. Early in this chapter we were introduced to the professional buyer, a man whose function it is to purchase merchandise for resale to the consumer. We find that his buying is directed toward filling the need of the store and not his personal desire. He must have a thorough knowledge of merchandise, the market, and retail demand. To this end he grants interviews to salesmen for the purpose of getting information, as well as for buying. His buying is *more likely* to be on a rational basis than is that of the individual buying for his personal use.

We distinguish two types of selling where large sums are involved: (1) selling for resale, (2) large transactions where the article is for the personal use of the customer. The first type consists in selling to a professional buyer, and the second, to the consumer or user.

In all selling on a large scale, the salesman is afforded more opportunity to size up his customer and to plan the presentation of his proposition than he is in ordinary retail selling. In this type of selling, also, the salesman must secure an interview and develop a plan for the satisfaction of the customer's need. Often the customer is not conscious of the need, and it is necessary to develop initial interest in it. This is almost entirely true of specialty selling.

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PSYCHOLOGY IN BUSINESS RELATIONS

PART V

PSYCHOLOGY IN EMPLOYMENT

XXVII

INDIVIDUAL ADAPTABILITY TO OCCUPATION AND PROFESSION

The aim of scientific employment methods. A. General similarity among individuals: reflexes and reaction-patterns; general capacity to learn; general capacity for mental functions; general capacity for feeling an emotional response; general capacity as to interest, indeals, and general organic activity. The bases of individual differences. Does the inheritance of individual races differ? Does family inheritance differ? Differences due to sex. Individual physical differences due to age. Does uniform training decrease individual differences? The poles of variability. The fields of variability. B. Adaptability to occupation and profession according to general capacities and specific interests. C. Labor supply. Summary.

Our discussion so far has dealt almost exclusively with *business* relations. We have endeavored to take up only those problems in business relations which are psychological in nature. When we came to observe the retail store, however, we found that the employment and training of help is a psychological problem which is difficult to separate from the other considerations of this nature, even though it may not always be construed as belonging to business, but rather to *industrial* psychology. For that reason, we shall briefly sketch some of the principles of employment in this book. The problems of personnel administration, wages, inducements, fatigue, time study, and the like, which belong properly to the realm of industrial psychology, will not be taken up here.

It is a matter of common knowledge that some men are better adapted to fill one class of jobs than another. Some are qualified for certain places and others are not. A man who cannot read and write would not, as a rule, make a good lawyer, unless he started in and learned these things. Many people are physically incapable of following certain

lines of work. A little man with a feeble constitution could hardly be the world's champion heavyweight boxer, nor could he even have much success as a policeman or a piano mover. The aim of employment is to get the right people for positions. Nowadays, too, many employers are interested in a process called by another name—vocational guidance—which really fulfils the same purpose. Vocational guidance starts with the person and finds a job to fit him; employment begins with a position and finds some one to fill it. It is frequently assumed that if both of these processes were properly carried out, they would automatically solve practically all of the industrial troubles now present. We make no such claim, knowing that the solution of employment and vocational problems is only a small part of what would have to be accomplished to bring about a utopian system in stores and factories. We do believe, however, that these things are important in their relation to business and that proper attention to them greatly increases the efficiency and happiness of all concerned.

A. General Similarities among Individuals

When we come to study the reasons as to why one man is more capable than another of filling a certain position, we must inquire into the exact likenesses and differences among human beings generally. First let us review the ways in which all normal individuals are alike. We find that they have much the same.

1. *Reflexes and reaction patterns.* All normal people react in much the same way to certain stimuli, as we saw in Part I. As a rule, whenever anyone is burned, the reaction of withdrawing the hand from the heat takes place. This, as well as the other reactions of the same class, occurs independently of consciousness, is similar in all people, and is a relatively fixed reaction.

2. *General capacity to learn.* We do not say that all

people have *equal capacities* for learning; what we do say is that all people have *the capacity* to learn, and that this capacity is generally of the same type. All people have the capacity of forming habits and of changing original nerve patterns as the result of the influence of environment, as we learned in Part I.

3. *General capacities for mental functions.* All normal individuals, for instance, have in them the necessary equipment for perception, attention, reasoning, imagination, association, and such processes. Here, again, we do not say that these capacities are equal in all people; we say that all people have them in some degree.

4. *General capacities for feeling and emotional response.* Common experience tells us that everyone is able to experience the feeling of pleasantness or unpleasantness. Everyone has the ability to experience fear and similar emotions, if the proper stimulus occurs.

5. *General capacities as to interest, ideals, and general organic activity.* While not all people have the *same* interests, everyone has *some* interests. Many of these interests are fundamental in all people, as, for instance, food and sex, which things we took up in Part I. All people have ideals of some sort, though, of course, there may be considerable difference in the *details* of these among various individuals. As for organic activity, we know that when any normal person eats food, the same sort of processes occur in his stomach as would take place under similar circumstances in the stomach of any other normal individual.

While we have merely hinted at the ways in which all human beings are fundamentally the same, and have not gone into detail, these statements will serve to illustrate the principal points of likeness. In the present discussion, we are not particularly concerned with elements of likeness; our real purpose is to discern the individual differences which make certain men better fitted than others for a particular

class of positions. Now that we have the points of similarity before us, elements of difference stand out more clearly.

THE BASES OF INDIVIDUAL DIFFERENCES

When we come to ask why individuals differ, we pay particular attention to the following:

1. *The germ cells from which individuals develop are different.* Since this is not a treatise on genetics, we can hardly go into a detailed discussion of the ways in which germ cells differ, nor can we explain the reasons for the differences. For our present purpose, it is sufficient to accept the statement, referring for more specific information to technical works on the subject.

2. *Variability is caused, in part, by sexual reproduction.* The number of combinations of determiners of individual characteristics which may come as the result of sexual reproduction is almost innumerable. We know that even children of the same parents, unless they should happen to be *identical* twins, do not have the same heredity. Much greater is the difference between children of different parents.

3. *Environmental factors cause differences between individuals.* In Part I we saw that a grown human being is not only an inherited mechanism, but that his make-up at any given moment is also largely the result of his experience. We saw that original nerve patterns are changed as the consequence of continued reactions to environment. In order that we may emphasize this factor more thoroughly, however, let us consider some of the environmental factors which are less obvious, perhaps, than the everyday experiences which we recognize as having influence in the make-up of the individual. The things to which we call attention are:

(*a*) *Pre-natal influences.* We have mentioned an example of the differences which may occur before fertilization. We

also know, as the result of experimental work with drugs, that anything which materially changes the composition of the blood of the mother may influence the development of the foetus. We know, also, that in the case of certain animals, changes in the density or temperature of the medium in which the mother is kept affect the nature of the offspring.

(*b*) *Post-natal influences.* We know that the life of a baby is considerably affected by the nutrition he receives. If a child does not have the proper food, he will not grow as well as if the right food is furnished. We know, too, that certain diseases leave their marks on children, and adults, too; sometimes these change the physical constitution, while at other times they affect the mental make-up of individuals. Lack of the proper stimulation to exercise may result in abnormalities in children. If a child were never allowed to walk, for instance, his legs would not develop as well as if he had the right sort of direction and exercise. If people do not exercise certain of their motor capacities, these do not keep pace with normal growth, and thus people come to be different from other individuals. Lastly, overexercise and premature stimulation have their effects. For instance, the baby who walks when he is too young is apt to become bow-legged.

These things are mentioned merely to show a few of the causes behind individual differences in men and women, which must be recognized before we can progress further in our study of psychology in employment.

DOES THE INHERITANCE OF INDIVIDUAL RACES DIFFER?

Frequently we are confronted with the question as to whether the men and women of certain races are better fitted for some kinds of work than for others. This speculation is often extended to nationalities as well as races. The employment manager of a large printing house tells us, for instance, that in his lithographic department, it has been found that only people of Swedish and German extraction

make good workers. In the Gordon pressroom, Bohemians are said to be most adaptable to the work. This sort of idea seems to be so prevalent among employers that it deserves careful investigation.

So far as we know, all experimental data in the field of sensory acuity, motor ability, and simple judgments—perhaps the most important realms, so far as individual differences in employment are concerned—indicate that racial differences in fundamental qualities, independent of training, are very slight. If there is a difference in adaptability of races to certain kinds of work, it probably lies in the different training and environment they have had. Then, too, when one comes to investigate the statement of an employment manager that only people of a certain race or nationality are adapted to a particular kind of work, it is generally found that the foreman of the department in which the work is done is of that race or is partial to it. In other words, the assumption that certain races or nationalities are better adapted *by racial inheritance* to some sort of work is usually found to rest on personal observation or prejudice, rather than on extensive data.

DOES FAMILY INHERITANCE DIFFER?

It is a matter of common knowledge that every individual possesses certain characteristics as the result of his family connection. For instance, such physical characteristics as the color of eyes show that if one boy in a family has eyes of a certain color, the chance is much in favor of his brother having that same color of eyes. This is also true in respect to the texture and color of hair, as well as height, weight, and such characteristics.

While considerable experimentation has been carried out in the field of mental traits, we are not so certain as to the exact influence of heredity. We are reasonably sure, however, that immediate ancestry is an important determining influence so far as mental capacity is concerned. Holling-

worth and Poffenberger, after considering many of the physical traits, have, in part, the following to say:[1]

> Consider . . . a characteristic that comes a little nearer to being mental, namely deafness. It has been found from statistical studies that out of every four persons who have one brother or sister congenitally deaf, *one* is deaf, while of those persons who have neither brothers nor sisters born deaf, only one out of a thousand is deaf. This means that if one is of the same immediate ancestry as a person congenitally deaf, he is about 250 times more likely to be deaf than a person who is of the same ancestry as a hearing person.

Thorndike, Galton, Ellis, Woods, Goddard, and others have conducted experiments in an effort to determine the influence of heredity on mental characteristics. It seems to be the consensus among investigators that inheritance plays a very important part in mental qualities, especially in those which are specific. Due to the fact that it has been impossible to exclude the influence of early environment and training from these experimental data, however, we cannot base conclusions on them which are of particular significance to the present study.

DIFFERENCES DUE TO SEX

Employment is particularly concerned with the differences between the sexes. Often it is somewhat of a problem to know whether to hire a man for a certain position, or whether it would be best to put a woman in it. In Part II we noted the fact that experimental data indicate very little difference in the mental capacities of the sexes. This is further borne out by the results of mental tests, studies of mental deficiencies, and measurements of new-born infants.

It has been found, however, in accordance with popular belief, that women are unfitted for certain work, because of physical drawbacks peculiar to their sex. Their generative organs are more susceptible to injury than are men's.

[1] Hollingworth, H. L. and Poffenberger, A. T. *Applied Psychology*, p. 42. D. Appleton and Company, New York, 1923.

Extensive surveys show that women, as a rule, are less resistant to fatigue than men. On the average, they are smaller and their muscles are weaker than those of men. One of the important factors is that women are undoubtedly handicapped by their periodical functions, which render them both physically and temperamentally incapable of attending to strenuous duty during a certain period each month. For this reason, if for no other, women are not adapted to all kinds of work.

INDIVIDUAL PHYSICAL DIFFERENCES DUE TO AGE

We know that certain physical and physiological changes take place at different ages. We are all familiar with the fact that a man is not the same at the age of 40 as he was when he was 10. These changes take place in all people at approximately the same age. Babies cut their teeth at about the same age universally. Certain developments take place in the sexual mechanism between the ages of 12 and 17, regardless of who the individual is. The menopause takes place in most women between the ages of 45 and 50. The man who employs others must take into account not only that some individuals are not of sufficient age to have developed the characteristics which fit them for certain positions, but that too great an age also brings characteristics which unfit some people for certain work. This development of characteristics of age is gradual and continuous. Something of its nature may be learned in the following quotation:[1]

> The body increases rapidly after birth in size and weight. It is the popular idea that the rate of growth increases up to maturity and then declines as old age advances. As a matter of fact, careful examination of the facts shows that the rate of growth decreases from birth to old age, although not uniformly. At the pubertal period and at other times its downward tendency may be arrested for a time. But, speaking generally, the maximum rate of growth

[1] Howell, W. H. *Textbook of Physiology*, p. 904, 1908. See also, pp. 1010 ff. 8 ed. 1922.

is reached some time during the intra-uterine period, and after birth the curve falls steadily. Senescence has begun to appear at the time we are born. The signs of old age may be detected in other ways than by observations upon the rate of growth. Changes take place in the composition of tissues; these changes, at first scarcely noticeable, become gradually more obvious as old age advances. The bones become more brittle from an increase in their inorganic salts, the cartilages become more rigid and calcareous, the crystalline lens gradually loses its elasticity, the muscles lose their vigor, the hairs their pigment, the nuclei of the nerve cells become smaller, and so on. In every way there is increasing evidence, as the years grow, that the metabolism of the living matter of the body becomes less and less perfect; the power of the protoplasm itself becomes more and more limited, and, we may suppose, would eventually fail, bringing about what might be called a natural death. As a matter of fact, death of the organism usually results from the failure of some one of its many complex mechanisms, while the majority of the tissues are still able to maintain their existence if supplied with proper conditions of nourishment.

INDIVIDUAL DIFFERENCES IN MENTAL AGE

Hollingworth and Poffenberger supply the following in regard to the influence of age on mental condition:[1]

Mental condition like physical condition undergoes rapid changes at certain periods. The mental is usually correlated with the physical so that the two periods of most profound mental change are adolescence in boys and girls and menopause in women. The adolescent period has been the subject of much study, because the time of its occurrence makes of it an educational problem. Then there is the gradual mental development with age. The intelligence tests of the psychological laboratory have disclosed interesting relations between age and mental development, both in the nature of differences among individuals and in variations in different functions within the same individual. It has been found, for instance, that instead of all the mental functions developing at the same rate, there is great variation, even in such functions as rote memory and logical memory. The laboratory tests have been limited largely to persons of school

[1]Hollingworth, H. L. and Poffenberger, A. T. *Applied Psychology*, pp. 94-97. D. Appleton and Company, New York, 1923.

age, since for educational purposes mental growth during this period is of most interest.

. . . logical memory reaches a maximum at 13 years of age with no change up to 18 years, while rote memory (measured by memory span) shows a more gradual increase with its maximum about 17 years. Certain of the traits, as, for example, word building, indicate an increasing rate of improvement from 6 to 18 years, while others, such as association, show a decreasing rate of improvement.

There is even greater disparity between age in years and mental growth than between the former and physical growth. If one is physically in his prime at 25 years of age, he may reach his mental zenith at 60 years or older. A great deal of emphasis has been given to the disparity between age in years and mental development by the mental tests of Binet-Simon and others, and the term "intelligence coefficient" has been coined to express the relation between them. From these tests one can assign to an individual a mental age in years by comparing his performance with the so-called age norms. Thus, if a 16-year-old boy makes a record in the tests such as the average 10-year-old boy makes, his mental age is 10. The intelligence coefficient is this mental age divided by the chronological age. A coefficient of 1.00 would then indicate a person mentally normal, or one as much developed as the average person of his age, a coefficient of .75 would indicate one below the average and a coefficient of 1.25 would indicate a person above the average intelligence for his age. It is by no means uncommon to find 7-year-olds who can do intellectual work at which one in twenty 7-year-olds would fail. And it is still less uncommon to find a 25-year-old person with the mental age of a boy of 12. Obviously, then, for most practical purposes it is mental age rather than chronological age which is important.

All of this brings to our attention the importance of getting people of the right age for positions, not necessarily the age in years of the individual, but of the physical and mental stage of development which the job requires. Some employers—even if unconscious of the factors that influence their judgments—are fairly successful in analyzing these characteristics of the individual on the basis of personal interview, due to their long experience in some specific industry; but as we shall see later on, more scientific methods of determining these important human factors are needed.

DOES UNIFORM TRAINING DECREASE INDIVIDUAL DIFFERENCES?

We learned in Part I that environment modifies inheritance to a considerable extent. In this connection it would be interesting to know exactly whether or not uniform training makes people more alike or more different. If all pupils of a certain school took the same studies and had exactly the same environment, for instance, would the training make them more alike, or would it develop greater differences? The natural assumption is that the students would become more alike. Considerable experimental work has been done in this connection with calculations, speed of perception, and such processes, but the interpretation of results is difficult, due to the fact that it is impossible to eliminate the difference of native equipment, the influence of previous training and experience on the subjects. When we say that a certain military school whose students are closely supervised turns out a particular type of graduate, we are admitting that the training has made boys more alike in some ways than when they entered the institution. These points of likeness may be merely surface characteristics which have been added to all the boys and may indicate no greater all-around likeness than if they had never received the training. We shall have to await more conclusive data than we have at present. before we can make definite statements along this line.

THE POLES OF VARIABILITY

We have seen that there are individual differences in human beings generally, and in applicants for positions in particular, due to difference in inheritance, on the one hand, and to experience or environment on the other. We must not assume, however, that all men fall into two groups, according to these classifications, but rather into *four groups and all immediate classifications.* The diagram given in Figure 34, on page 476, will perhaps illustrate our meaning.

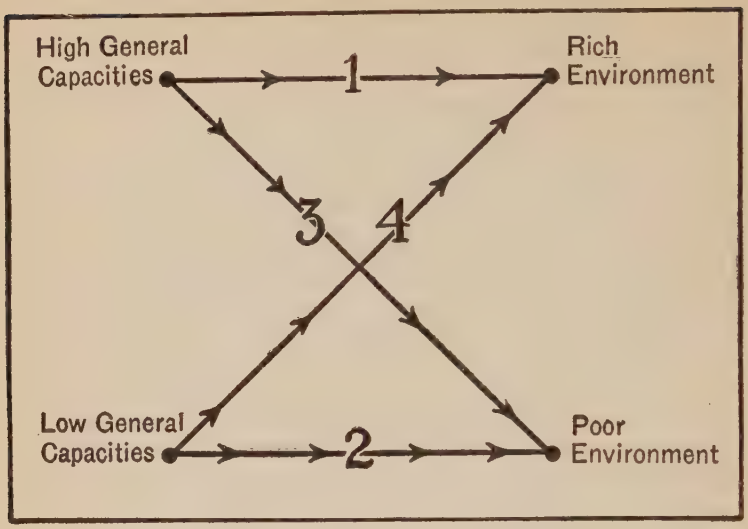

Figure 34: The poles of variability

The four *extremes* emphasized are (1) high general capacities with rich environment, (2) low general capacities with poor environment, (3) high general capacities with poor environment, (4) low general capacities with rich environment. In this scheme there is a place for everybody, though most people fall into the intermediate gradations, rather than into any one of the extremes. Most normal men are of course near the average in all characteristics. Few men are above the average, and many are below it.

THE FIELDS OF VARIABILITY

We naturally find greater variability in a mixed or hybrid population than in one in which the factors of inheritance and environment, past as well as present, are much the same. This is a fact well known by employers of foreign labor. In certain coast villages, for instance, where the people have been fishermen for generations past, the variability in characteristics which have to do with this occupation would

cause less trouble to the employer than if he had to pick his men out of a mixed group of immigrants from all parts of the world.

Variability is greater in the traits which are less essential to the preservation of the race than it is in those upon which the life of the race depends. The interests of food and sex, for instance, are common to all normal people, while the distribution of scientific knowledge, literature, specialized occupation and particular tastes is much more uneven. Again, variability is greater, as a rule, in mental traits than in physical traits. Though there is much difference physically between the pigmy and the blond giant of the Nordic race, there is even greater variability in mental traits between the pigmy and some of our scientists and thinkers.

We know that variability of importance in employment situations is evident in memory, learning, rate of perception, motor capacity, and similar traits. In motor capacity, which is especially pertinent, we must recognize radical differences in precision, complexity and strength of movement. Some manufacturing plants employ trained engineers to measure the amount of these factors necessary to perform given operations. Testing these traits in applicants for positions, so that persons will be hired who have the capacities necessary to carry on the work most efficiently, is the task of the modern employment department.[1] We hope to go more fully into this subject in a later section.

Those of us who are interested in such matters may have observed that the attitude of the worker toward monotony and variety of operations is quite important in modern industry. We know, for instance, that certain individuals do not make good employees in jobs which are extremely mechanical and monotonous. People who are too active mentally are not fitted to feed automatic machinery all day long, with no change of operation. Since their higher mental functions are not employed in tending to their duties, they

[1]For tests to determine such differences the reader is referred to such works as Lee, F. S., *The Human Machine and Industrial Efficiency*, pp. 8-9.

are apt to be thinking about things which make them dissatisfied and even dangerous to have in the plant. Other people, particularly those of low mental capacity, may be well adapted to such jobs. For this reason some factories give all applicants mental alertness tests and refuse to employ those who show too active mentalities in monotonous tasks.[1]

We also know that there is considerable variability in the processes of attention and interest among different individuals. Some men have great ability to concentrate attention and interest, while others seem to exhibit little capacity in this line. Since these factors are of considerable importance in business life, they must be taken into account in employment. There are also considerable differences in the sensation capacities of applicants for positions. We know that some people can see better than others, and that some individuals are deaf. When it comes to engaging salespeople for the silk goods department in a store for instance it would hardly do to employ a girl who is color blind, or who is so hard of hearing as to make it difficult to carry on relations with customers. Some of these failings in sensation capacity are quite evident to the casual observer even, but there is need for scientific tests to determine individual efficiency in sensation, reaction time, as well as attention capacity.

B. Adaptability to Occupations and Professions According to General Capacities and Specific Interests

We have made considerable of the fact that due to individual differences, not all applicants for positions are adapted to the same sort of work. We have seen that various characteristics are responsible for these differences. We shall note, however, that these characteristics are not the

[1] If the reader is particularly interested in this subject, he will do well to refer to Gilbreth, F. B. and L. M., *Applied Motion Study*, pp. 174-182.

only factors which determine the success of a man in a certain position. It is evident, for instance, that the characteristics which fit a girl to be a good stenographer or bookkeeper are probably not the same as a man would have to possess to be a good lawyer or physician. Yet a girl might be either an efficient stenographer or a reliable bookkeeper with exactly the same characteristics, and a man might make a competent physician or a successful lawyer, being equipped with the same natural abilities. What makes one girl an exceptional stenographer and another a bookkeeper, and one man a doctor and another an attorney, may be found to be the factor of interest. Though it frequently happens that sons take up the profession of their fathers, it is probable that this element of interest is largely a matter of environment and opportunity, rather than inheritance. If a man is a successful lawyer, for instance, his son may be brought up to regard law as an exceptional vocation in which to develop the talents he has. If the father is dissatisfied with the legal profession, the son may have this dislike inculcated in him, through suggestion, rather than inheritance, and the consequence is that he decides to follow another line of endeavor. Then again, a son may follow in his father's business because it offers the advantage of being established and more profitable financially than a business would be which he had to build up for himself.

While we cannot say that each profession has its specific requirements as to characteristics, as well as to interest, yet we may classify occupations according to the *general type* of people who are required to fill them. We choose to divide professions and occupations according to these standards into the following seven groups, in so far as they require:

1. *Physical capacities above average.* Some sorts of work require exceptional height, strength, endurance or weight, but have very little in the way of mental requirements, the work being done under close supervision. Much of this could be done by machinery, but it is done, at this time,

more cheaply by human labor. The individual who has an abundance of strength and not much of mental capacity glories in using the special ability he has, and would rather do work which calls for physical exertion than to sit in an office. Here we find the railroad and street construction gangs, house and furniture movers, ditch diggers, and so forth.

2. *Average strength and sufficient mental capacity to work without special supervision.* Most factories where the operations are specialized have numerous jobs of this kind. Usually they are of highly mechanical nature and do not require a great deal of special training.

3. *Average intelligence, little physical strength, and no particular judgment or aversion to monotony.* Many office jobs fall into this class. Some of them require special training.

4. *Special social and congenial endowment.* This classification is made to include people such as ministers, social workers, salesmen, and politicians.

5. *Special aesthetic endowment.* In this group we find artists, musicians, poets, and some sorts of authors.

6. *Mechanical endowment.* In this class of occupation we find mechanics, operators of intricate machinery, designers and inventors, depending, of course, on the amount and nature of the mechanical intelligence.

7. *Average or superior intelligence and special technical or professional training.* Here we find the professions of medicine, dentistry, law, engineering, science, and education.

It must not be supposed, of course, that these various groups afford a rigid classification. The engineer, for instance, requires endowment of the nature mentioned in both classes 6 and 7. The attorney may need the sort of attributes given in classes 4 and 7. This working basis is offered merely in the absence of a better system.

C. Labor Supply

We shall not go into detail concerning the problem of labor supply, even though much of it is psychological. In the section on marketing, we spoke of supply and demand for commodities. We might adopt the same idea in regard to labor, and speak of the demand for employment. We may say that this demand for employment is dependent on:

1. Conditions in the "labor market," which are
   (*a*) Industrial and commercial activity, or
   (*b*) Industrial and commercial inactivity
2. Reputation of the company among working people for:
   (*a*) Fair dealing
   (*b*) Adequate compensation for work
   (*c*) Working conditions
   (*d*) Consistency of managerial policy
3. Effective presentation of the job offered

The sources from which employees are recruited are principally the following:

1. Immediate community
   (*a*) Through advertising or relatives
   (*b*) Friends or relatives of employees
   (*c*) "Job hunters" who are out of work and come to the office
2. Establishments of competitors
3. Schools
4. Employment agencies, which are:
   (*a*) Public, or
   (*b*) Private
5. Previous employees
6. Promotion or transfer

This outline is important, as it contains many significant facts concerning the labor market. In regard to the sources from which employees are recruited, the employment managers of several stores tell us they get many of their best unskilled clerks from applicants who are brought in by those who work in their establishments. If a girl employee brings her sister in to apply for a position, the chances are that the interest she has in her sister's welfare will cause

her to help considerably in training the new employee and getting her accustomed to the routine. When an employee brings another person to work for a firm, she feels responsible for the conduct of that person, to a certain extent, and helps that person to succeed. For this reason, some establishments pay a bonus to employees who bring others to work in the place. There are numerous other facts in connection with the outline on sources of labor which are so obvious that they will not be discussed here.

SUMMARY

While all normal human beings have certain traits and capacities in common, there are individual differences which make some people peculiarly adapted to certain *classes* of occupations and professions. Individuals are alike in that they all possess the same (1) reflexes and reaction-patterns, (2) general capacity to learn, (3) general capacities for mental functions, (4) general capacities for feeling and emotional response, and (5) general capacities as to interests, ideals, and general organic activity. We find that individuals differ because: (1) the germ cells from which individuals develop are different, (2) variability is caused, in part, by sexual reproduction, (3) environmental factors, both pre-natal and post-natal, bring about differences between individuals. It is the aim of employment to discover individuals who possess the particular characteristics which specially adapt them to fill certain positions.

We find that in the field of sensory acuity, motor ability, and simple judgment there is little evident difference in the inheritance of different races. If there is a difference in the adaptability of the various races to certain types of occupation, it is the result of environment rather than inheritance. We do find, however, that family inheritance is responsible for the existence of numerous capacities and qualities, especially those which are mental and specific. While mental capacities and qualities do not seem to be

influenced by the factor of sex, certain physical differences between the sexes make men better fitted for some work and women more capable in other lines.

The changes that come with age are important factors in adapting the individual to particular occupations and professions. This is true in mental development even more than in physical growth. We find also that variability gravitates toward four extremes: (1) high general capacities with rich environment, (2) low general capacities with poor environment, (3) high general capacities with poor environment, (4) low general capacities with rich environment. Most individuals, of course, fall in the range of the average of these extremes.

Variability is greater in hybrid populations than in groups with more uniform inheritance and environment. It is not so prevalent in the traits which are essential to the preservation of the race as it is in some other characteristics; especially, variability is greater in mental than in physical qualities and capacities. Variability in memory, learning, perception, and motor capacity is important in employment. The capacities for interest and attention must also be given particular notice in their relation to employment.

We learned, also, that while certain types of occupation and profession require particular groups of characteristics and traits in people who are to succeed in their pursuit, adaptability to specific callings is dependent upon special interest in the work. For convenience, we divided these combinations of capacities, traits, and training into seven classes.

It would be well for the reader to pay some attention to the outline of sources from which labor is generally secured; because it is in outline form, we shall not repeat it here.

In the next chapter we shall learn something of the empirical attempts which have been made to "analyze character," so as to find which individuals are adapted to particular work.

Problems

XIV—3, 7-10.

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XXVIII

THE SEARCH FOR METHODS OF RATING HUMAN QUALITY

The cost of labor turnover. Objection to unscientific methods of employment. The historical search for methods of judging human qualities. Modern physiognomy. The bases of phrenology. The fallacies in the bases of phrenology. The fallacies of physiognomy. Experimental data on phrenology and physiognomy. Summary.

Because individual differences exist which make one man adapted to one position and not to another, we are constantly on the alert for some system which will enable us to discover and evaluate human qualities. The increasing specialization and consequent variety of jobs these days makes it desirable to have reliable means of detecting these traits. The old method of hiring all sorts of people and trying them out in jobs, keeping them if they "make good" and discharging them if they do not, is too costly a process these days to be in accordance with modern efficiency. It is also responsible for a good deal of dissatisfaction generally, both on the part of the workers and employers.

THE COST OF LABOR TURNOVER

It has been suggested that the "hit-or-miss" system of employment entails financial loss principally on these scores:

1. *The expense of the act of employment.* Even the clerical and detail work coincident with the records of employment and discharge is a considerable expense in a large plant. One must consider also the time of employment managers and interviewers.

2. *The cost of instruction for new employees.* Even

though the work does not require a special training course, it takes some time to acquaint the new worker with the plant and with his duties. Often this is the time of the foreman, whose rate of pay is the highest in the department.

3. *Breakage of tools and equipment occasioned by inexperienced workmen.* Often a new man will cause an accident which holds up the work of other men in the department.

4. *Spoiled material and imperfect products.*

5. *Decreased production, due to the slowness of new workers.*

6. *Loss of time and money for the misfitted employee.*

Of more importance to the worker than the last item, perhaps, is his loss of confidence in himself, due to the fact that he has failed in an undertaking in which he expected to succeed. Perhaps he does not realize why he has not made good and comes to think that probably he has no ability in any line. If he could have been put in the occupation which suited his talents and interests, he might not have developed the feeling of inferiority.

THE HISTORICAL SEARCH FOR METHODS OF JUDGING HUMAN QUALITIES

This effort to evaluate human qualities in terms of the occupation or profession which the possessor of them ought to follow has been evident for centuries. Theophrastus, who, history tells us, died in the year 288 B.C., and the followers of Hippocrates in the fifth century, B.C., were regarded as expert character analysts. Hippocrates thought that cheerfulness was resident in the blood, laziness in the phlegm, testiness in the yellow bile, and low spiritedness in the black bile. Why not?—the blood is a hot moist fluid, for instance, while phlegm is cold, damp, and sluggish. Later on, astrol-

ogy seemed to offer explanations of character, as people were persuaded that the month in which they were born determined what qualities they possessed.

Next, palmistry grew up in the same manner as these earlier "sciences." People had implicit faith in "experts," from gypsies to "professors," who would read their palms to discover what qualities they possessed and to tell what the future held for them. Though very few people in this country today believe in the ability of palmists to predict future events, there are numerous persons who still patronize these practioners for advice concerning marriage, vocational guidance, and such things. We shall assume, however, that the reader of this book is of the sort who would not be misled into placing reliance on pure palmistry, and pass on to the discussion of so-called "sciences" which are believed by numerous persons—employment men, even—who rely on these criteria for their judgments of human qualities.

At present many persons—some of them men of considerable intelligence, in some ways at least—are beginning to investigate the possibilities of phrenology and physiognomy as methods of rating human qualities. The first of these has to do with the theory that the shape of a man's head, taking into account the various bumps and irregularities, as well as the general contour, is an index to the traits and characteristics he possesses. The second has to do with judging these qualities by outward appearances, especially that of the facial characteristics. Frequently this sort of thing is combined with some of the principles of palmistry to make a highly complex system of judgment.

MODERN PHYSIOGNOMY

To illustrate this general type of doctrine, we quote from an account of the practice of one of the most widely advertised vocational "experts":

> The sensitive, delicate-minded man has a fine-textured skin; the coarse-minded man a coarse-textured skin. It is an embryo-

logical fact that the skin was and is the original seat of all sensations, and that the spinal cords and nerves are but modified and special in-turned skin. Of necessity a man's skin indicates the texture of his brain.

Texture is a great classifier of humanity. The individual of fine hair, fine-textured skin, delicately chiseled features, slender, graceful body and limbs, as a general rule, is refined, loves beauty and grace, and likes work either purely mental in its nature or offering an opportunity to handle fine, delicate materials and tools. On the other hand, the man with coarse hair, coarse-textured skin, and large, strongly formed features inclines as a general rule to occupations in which strength, vigor, virility, and ability to live and work in the midst of harsh, rough and unbeautiful conditions are prime requirements.

It is no secret to observant employees of labor that blondes, as a rule, are changeable, variety loving, optimistic, and speculative, while brunettes are consistent, steady, dependable, serious, and conservative.

It turns out as one might naturally expect that the man who resembles the greyhound in form is quicker, keener, more responsive, and less enduring than the man who resembles the bulldog.

A most cursory examination of the portraits of poets, educators, and essayists will show a marked tendency in them to resemble the triangle in structure of the head and body—both head and body wide above and narrower in the lower portions. An examination of the portraits of a hundred great generals, pioneers, builders, engineers, explorers, athletes, automobile racers, aeronauts, and others who lead a life of great activity will show a general tendency toward structure on the lines of the square—square face, square body, square hands. Reference to the portraits of great judges, financiers, organizers, and commercial kings will show a general tendency toward structure upon the lines of the circle—round face, rounded body and a tendency to roundness in hands and limbs.

Any thing which is hard in consistency has comparatively great resistance and persistence. That which is elastic in consistency is adaptable and seems to have spring, life, and energy in it. These principles have been found to apply to human beings.

If it were not for the fact that so many seemingly intelligent business men were paying good money to keep up the practice of men or women who issue such statements as the foregoing, we should hardly be inspired to devote so much

space to the discussion of this sort of character analysis. Since many so-called vocational guidance "experts" do use these methods, we feel impelled to go into these details here. To show the extent to which this sort of thing is prevalent we quote from another book which is quite extensively used by the high-school teachers, parents, and business men, which has an introduction by one of the leading business men of the country.[1]

A high head indicates ambition, aspiration, high ideals, and high standards.

A low head indicates lower ambition, lower ideals, and lower standards, although not necessarily unworthy ones.

The wide head indicates driving, pushing energy. In its primitive manifestations this energy takes the form of destructiveness, but guided and controlled by the intellect and higher ambitions it manifests itself in executive ability and the desire and ability to overcome obstacles—in other words to destroy whatever stands in the way of accomplishment. The narrow head, on the other hand, indicates mildness, harmlessness, diplomacy, tact, nonresistance, but these qualities are oftentimes accompanied by great obstinacy of the quiet, passive kind.

The head which is long from the opening of the ears forward indicates keenness of intellectual power, especially keen observation, keen powers of calculation, judgment, reason, and practical mental efficiency. The head which is long from the opening of the ears back indicates sociability, love of human beings, and also love of children and pets, as well as flowers and plants.

This is followed by numerous paragraphs concerning the other shapes of head. There are also sections on the different characteristics associated with various types of hands, as well as of physical types generally. Then we find that the person with the following proportions—even though he or she happens to be a young boy or girl who has not reached the development necessary for entrance into professional study or work—is fitted for mental work only.

Head—large in proportion to body, forehead high and broad
Face—triangular, wide at forehead, tapering to pointed chin

[1]Blackford, Katherine M. H. and Newcomb, Arthur. *The Right Job*, with an introduction by Charles M. Schwab, pp. 72-73. Doubleday, Page & Company, New York, 1924.

Features—small, finely chiseled
Hair—rather scanty, fine, and soft
Neck—slender, small from ears back
Shoulders—narrow, sloping
Bones—slender, joints small
Muscles—slender and soft
Skin—fine and thin
Hands—small, finely shaped
Trunk—slender, abdomen flat

We are given to understand, of course, that not all mental workers possess these exact characteristics; this is only the radically mental type, but we are supposed to believe that persons adapted to intellectual work tend toward these extremes in their physical attributes. This, too, applies to *children* as well as mature individuals. We also learn that some people are combinations of the mental and manual types, according as they possess characteristics divided between the two. The positiveness with which these statements are made, unsupported by experimental data, is particularly significant, in view of the fact that this book is used by educators and business men as a basis of judgment in giving vocational advice to persons of all ages.

THE BASES OF PHRENOLOGY

Because we believe that a great deal of harm is done, both to business and to individuals, through the use of such systems of analysis as we have just mentioned, we shall point out some of the reasons why they are unreliable. It seems to us just as harmful to tell a boy that he is of the mental type and must do only mental work, or that he is of the manual type and must do only that kind of work, on the basis of incorrect methods of judgment, as it is to tell him that he ought to chew tobacco and smoke cigarets if he is to be a man. Both of these incorrect statements may limit him in much the same way. We shall, therefore, first examine the fundamentals on which some of these assumptions are based, then call attention to the errors involved

and finally point to experiments conducted by reliable scientists to disprove the current claims of these "experts."

The discovery in the late eighteenth century that there are different areas of localization in the brain led to a renewal of interest in phrenology. Ignoring the fact that the function of these localized areas was simply to control the different parts of the body, such as the ears, eyes, and limbs, the phrenologists made their first assumption—that every trait of personality, every mental capacity, in fact, every moral quality, has its respective seat or chamber in the brain. Secondly, they assumed that the more developed these human qualities were, the larger would be the area of the brain supposed to relate to them. Thirdly, they reasoned that since the skull is close to the brain surface, the development of these areas in the brain of an individual will be reflected by the relative prominence of the different parts of the cranium. Fourthly, they held that the occasional casual observations of chance relations between human character qualities and certain particular characteristics of the cranial surface in a few men are sufficient to prove that the same hold true of all men.

THE FALLACIES IN THE BASES OF PHRENOLOGY

It is interesting to note the fallacies in each of these assumptions. Consider, for instance, the notion that each human character quality has a definite localized area in the brain. All that is definitely known concerning brain localization is that there are sensory and motor areas which function with definite sense organs and muscles; there are certain nerves connecting directly or indirectly each part of the body with the brain, so that we can say that a certain sense is localized in the brain. For example, a man's ability to raise his right arm depends upon the integrity of some particular nerve centers in the hemispheres. The phrenologist, however, claims that all of the *character qualities* have been localized in the brain. So far as we

know, not even all of the sensory and motor areas have as yet been localized, much less such human qualities as generosity, jealousy, and love of children, for example. In fact, the scientist may say with certainty that *these* qualities have no local areas in the brain. Such character qualities are obviously not the result of any single sense organ or muscle, but on the contrary, are reactions of the whole body to its environment.

The second assumption—that for each degree of development of the human qualities there is a corresponding degree of development in the supposed localized brain areas—is obviously of little importance if we do not accept the first, which we cannot do. Furthermore, there is no scientific evidence to show that the strength of a sense organ or muscle is reflected in the size of the corresponding portion of the brain. If that were so, we should expect a deaf and blind person of extreme physical strength to possess an unusually large motor area and correspondingly small visual and auditory areas, but such is not the case, a fact generally recognized by scientists.

The third assumption is that the size and contour of the different parts of the cranium is an index to the size of the localized areas of the brain. This has been conclusively disproved, time and time again. When the brain of an animal is removed from its cranium box, it is discovered that the shape and thickness of the different parts of the bony structure give little indication as to the state of protuberance or depression of the brain. We must remember that the brain is not immediately under the skull. The brain is covered by a very stiff tissue like a strong membrane of a drum. It would be just as logical to assume that by a study of the dimensions or contour of a piano-box one could determine the cost, make, and quality of the piano it contained, as it would be to assume that the dimensions or the contour of the skull are an index to the shape and quality of the brain.

As for the fourth assumption, it is merely a case of

hasty generalization. The chance relations observed between the various shaped craniums and certain human qualities may be likened to the belief that all good apples are red, because one had found that all the good apples he had eaten were red.

THE FALLACIES OF PHYSIOGNOMY

Physiognomy is similar to phrenology in many respects. It may be an interesting study, but is hardly the safe method to use in vocational guidance and employment. Some "vocational experts" claim that the method they use is better than phrenology, because they do not base judgment on cranial geography alone, but also on numerous bodily signs, such as the shape of the jaw, the concavity or convexity of the profile, the texture of the skin, the color of hair and eyes, shape of hands and proportions of the trunk. A great many persons believe that character qualities as well as mental characteristics betray themselves in special bodily items, particularly facial expressions. It is true that habits leave their imprints upon the muscles of the face, to a certain extent. Such facial imprints, however, hardly lend themselves to interpretation, because of the great part played by inherited characteristics in determining their nature.

Moreover, the differences are so small, so little uniform, and so far from universal, that no matter how refined instruments we may use, the data obtained do not form a reliable guide to the character of the subject examined. While one may distinguish between some idiots and some great men, simply by observation, it also happens that it is impossible to distinguish some morons from men of average intelligence by the same means. In fact, numerous African bushmen have precisely the same emotional, moral and social characteristics as outstanding men in our public life today, though their facial and bodily contours are entirely different.

While it is true that habits leave their marks, so that the studious come to be round-shouldered, the cheerful to have smooth countenances, and the guilty to have furtive eye movements, yet it is not true that stooped shoulders are a universal sign of scholarly interests, nor are dimples always a sign of guilelessness. We are positive, too, that a high brow is not necessarily a sign of learning, or a shifting eye that of a thief. In regard to the theory that the possession of certain stigmata is infallible proof of criminal character, we quote from Hollingworth:[1]

> . . . .stigmata are somewhat more frequent among the vicious, degenerate, and defective groups than they are among people selected on the basis of their morality and intelligence. The criminally inclined individual may possess no stigmata, while an Abraham Lincoln may possess several of them, and in marked degree. . . . Practicing phrenologists have repeatedly been invited to submit one bit of objective evidence for their pretensions, or to submit themselves to tests under controlled conditions. The invitations are refused, and the inquirer is referred instead to the dogma of some foreign and deceased authority. Such investigations as have been recorded have resulted in negative conclusions, or in contradictory data. . . . We must content ourselves on this point by insisting that the formulated facts of physiognomy are so unsupported, contradictory and extravagant that the vocational psychologist cannot afford to trifle with them.

EXPERIMENTAL DATA ON PHRENOLOGY AND PHYSIOGNOMY

Numerous scientific experiments have been performed, the results of which bear out the statements we have made in this discussion of the various systems of phrenology and physiognomy. Though we could hardly quote all of these here, we shall briefly sketch the performance and results of significant work done by Cleeton and Knight.[2]

[1]Hollingworth, Harry L. *Vocational Psychology*, pp. 32, 37-38, 54. D. Appleton and Company, New York, 1920.

[2]Cleeton, Glen U. and Knight, F. B. "Validity of Character Judgments Based on External Criteria," *The Journal of Applied Psychology*, Vol. VIII, No. 2, June, 1924, pp. 215-231. For other experimental data, see also, Hollingworth, H. L., *Vocational Psychology*, pp. 42-54. D. Appleton and Company, New York, 1920.

After collecting representative literature and opinion on the subject, these investigators decided that the only character traits which would lend themselves to a reliable experiment were the following: (1) sound judgment, (2) intellectual capacity, (3) frankness, (4) will power, (5) ability to make friends, (6) leadership, (7) originality, (8) impulsiveness. These particular characteristics were chosen, not because they would be any easier to test than others, but because there was less disagreement among phrenologists on these traits than upon others.

In regard to the vast amount of material reviewed, the following is interesting:[1]

> It is noteworthy that when allowances for form of statement due to a growing language are made the writings on character analysis of the present date are practically the same as they were 120 years ago and strikingly similar to the pronouncements of the employment consultant Theophrastus of Eresos who lived 372 to 288 B. C.

Though character analysts use their eyes to judge the various physical characteristics, these experimenters relied upon more accurate measurements. Their equipment consisted of (1) standard spreading calipers, (2) sliding compass, (3) steel tape, (4) head square—"constructed for the purpose upon the principle of the multiple sliding compass to facilitate measurements of distances from the meatus to various sections of the cranium."

In rating various characteristics, all the way from 13 to 36 physical factors were considered, the former number being used for Ability to Make Friendship and the latter for Will Power. We shall not enumerate these, as the reader may refer to the original article if he is sufficiently interested in the details.

The subjects of the study were, in the final experiment, three groups of 10 people each, the first 10 being members of the same local chapter of a national college sorority, the second of another sorority, and the third of a particular

[1] *Ibid.*, p. 217.

chapter of a national fraternity. Each person in each of these groups was rated according to the characteristics used in this test by *all* of the members of his or her fraternity. Thus accurate judgments of each one were given by presumably 30 or more individuals, the average of these being taken as the final rating. In addition to this, each group of 10 was placed, one group at a time, on a platform to be rated by 70 judges. These latter were business men, school superintendents, students of employment, and others who were accustomed to judging men and women with the possibility of employment in view. These people were asked to rate each member according to his comparative standing in his own group of 10 with respect to each of the 8 traits used in the experiment.

Without going into detail, as the reader may refer to the article for full account of the experiment, we may simply say that after all the measurements and ratings had been computed, the following table—one of the many developed—results:[1]

AVERAGE CORRELATIONS—CLOSE ASSOCIATES AND PHYSICAL FACTORS; CASUAL OBSERVERS AND PHYSICAL FACTORS[2]

Trait	Close Associates and Physical Factors	Casual Observers and Physical Factors
Judgment	—0.005	+0.145
Intelligence	+0.027	+0.051
Frankness	+0.055	+0.155
Friendliness	—0.11	+0.195
Will Power	—0.074	+0.036
Leadership	—0.041	+0.066
Originality	+0.095	+0.079
Impulsiveness	+0.100	—0.067

[1] *Ibid.*, p. 229.

[2] The reader is probably familiar with the meaning of these correlations. A correlation of 0.000, for instance, represents only a chance likeness and similarity. There is a "fifty-fifty" chance of any system being right or wrong, and this "fifty-fifty" is represented by zero. The highest possible correlation would be 1.00, representing perfect agreement between the two groups of figures correlated. The lowest possible correlation would be —1.00, which would indicate that the two groups of figures were exactly opposite in meaning. Thus the reader will see that correlations given here

Though there are many technical conclusions to be drawn from an experiment such as this, we are interested primarily in only a few of the general results. We quote especially these:

Physical measurements which underly character analysis agree neither with themselves nor with other measures of character.[1]

The correlation between ratings of close associates and casual observers is slightly better than chance.

The correlation between ratings of casual observers and physical measurements is best represented by 0.000.[2]

The correlation between close associates and physical measurements is best represented by 0.000.[3]

In plain words, this means that although the ratings of casual observers agreed somewhat with those of close observers, there was no significant agreement between the ratings based on physical characteristics and either of the other methods of judgment.[4]

between the ratings of close associates and the judgments based on physical factors—the highest of which is only +0.100, and the lowest of which is —0.11—represent no real evidence of likeness between the two standards. Even the small differences between these figures and zero, in each case, may be explained by various uncontrolled factors. In technical terms, the highest correlation secured is less than four times its probable error.

[1] *Ibid.*, p. 231. [2] *Ibid.*, p. 230. [3] *Ibid.*, p. 231.

[4] The following is a brief report of an experiment on "Rating Personality Traits," conducted under the author's direction, Emory W. Lewis assisting.

Entire fraternity or sorority groups at Northwestern University were used as subjects, this fact insuring that each subject be intimately acquainted with those whom he was to judge. A group averaged 30 members, approximately 30 groups being available. Each individual in a group judged every other member of his group in the light of the following qualifications: (1) his success in winning the confidence, respect, and good-will of his associates; (2) the extent to which he is capable of sustained effort; (3) his ability to grasp readily a situation or idea; (4) to what extent he takes the initiative in things; (5) the extent to which he may be relied upon to perform regularly his work; (6) to what degree he is capable of responding to situations without giving offense to the feelings and opinions of others; (7) to what extent he stands by his friends and ideas; (8) the influence and vigor with which he approaches a situation and masters it; (9) his capacity to direct, lead, and influence the members of his group.

Three methods of procedure were used: In Method I, each individual placed, in respect to the above nine qualities, each of the other 29 members of his group in a descending scale from highest to lowest. In Method II, each person distributed the other 29 into five categories, namely, *most, very, fairly, mildly, least.* In order to determine the influence of one quality on another, half of the subjects were allowed to rate only one quality a day, the rest rating all qualities at once. Method III is the same as Method II except that but three categories (*most, fairly, least*) were employed.

In the face of numerous practical experiments and theoretical refutations of the systems of physiognomy, phrenology, and allied methods of judging human qualities, it is nevertheless a fact that many individuals claim to have profited by the services of practitioners of these "sciences." There are probably three reasons for the supposed success of such methods. First, the vocationalists may by chance suggest one of the many jobs in which the individual will be successful; it is possible to eliminate the various fields in which a given individual would be likely not to make a success, merely from observation; by mentioning a number of general fields, it is likely that he will include one of the specific jobs which appeals to the interest of the individual, who will take up that line and become successful in it. It then *seems* to the individual as if that was the precise vocation recommended, largely as the result of suggestion. Then, too, any shrewd individual can, in the course of a conversation, discover some of the likes and dislikes of others. In this way the vocationalist is able to offer some really good suggestions, the value of which he attributes to his "scientific" study. In the third place, advice which comes from a supposed expert is believed to be

Results of Method I show a mean variation of ± 5.3, out of 29 possible variations. Those of Method II give a mean variation of ± .65 for the half permitted to judge all nine characteristics at one time; and ± .705 for those who rated each characteristic separately on a different day. Method III (which was used on a group of biblical students very well acquainted with each other, and in which two days intervened between the rating of each characteristic) resulted in a mean variation of ± .43.

It is quite obvious from these results that a possibility of rating personality traits accurately is indeed questionable. This conclusion is contrary to that reached by Professor H. O. Rugg and set forth in his article on, "Is the Rating of Human Character Practicable?" *Journal of Educational Psychology,* November and December, 1921, and February, 1922. *See also,* Allport, F. H., *Social Psychology,* chaps. v—vi; Hollingworth, H. L., *Judging Human Character; History of the Personnel System of the United States Army,* Vols. I and II, Government Printing Office, 1919; Paterson, D. G., "The Graphic Rating Scale," *Journal of Personal Research,* December—January, 1923; Miner, J. B., "Evaluation of Method for Finely Graduated Estimates of Abilities," *Journal of Applied Psychology,* June, 1917; Kingsbury, F. A., "Analyzing Rating and Training Raters," *Journal of Personnel Research,* December, 1922, and January, 1923; and Thorndike, E. L., "A Constant Error in Psychological Rating," *Journal of Applied Psychology,* December, 1920.

true and acts as a tremendous incentive to stimulate endurance and to give people the necessary confidence to succeed. This latter element, as we all know, is important in the success of any undertaking.

We may perhaps be pardoned for seeming to give undue discussion to the foregoing subject, on the strength of the fact that some of these systems have taken such a thorough hold on some business men and others who ought to know better, that it is important to go somewhat into detail in refutation of them.[1]

SUMMARY

Business has found it too expensive to conduct employment on the "hit-or-miss" basis. Throughout the ages there has been a constant attempt to devise a satisfactory method of rating human qualities. Generally, intelligent employers place little credence in any of the earlier systems of superstition and "fortune-telling," but many of them seem to be of the belief that phrenology, and especially physiognomy, will eventually solve the problem of a method of character analysis. It is for this reason that we investigate these systems.

We base our assertions that phrenology is not a reliable system of judging human qualities partly on the following refutations of its principal bases:

1. There is no evidence that many of these qualities are localized in the brain.

2. There is no scientific evidence that the strength of a sense organ is reflected in the size of the corresponding localized brain area.

3. The size and contour of the cranium are not an index to the size and shape of the brain itself.

[1]For a more charitable treatment the reader is referred to Dunlap, Knight, "Fact and Fable in Character Analysis," *The Annals of the American Academy of Political and Social Science*, Vol. CX, No. 199, November, 1923, pp. 74-81.

4. Not enough specific instances of correct judgment have ever been recorded to prove the generalizations of phrenologists. In such a case of inductive reasoning, all that is necessary to prove the generalization untrue is to prove it untrue in a relatively small number of specific cases; we do this in one case and refer the reader to other experiments which bear out the same result, if he is at all in doubt as to the validity of our stand.

The objections to physiognomy include those of phrenology, as the latter is used extensively to support the former. As for facial imprints being the result of habits, we have said that heredity plays so large a part in facial characteristics that we cannot accurately interpret the influence of habits. While it is possible to distinguish between some great men and some idiots by observation of external physical characteristics, it is also impossible to distinguish between some men of average intelligence and certain morons. While it is true that certain stigmata often attach themselves to people of particular types, there are enough exceptions to the hypothesis that these indicate certain things to disprove it. It is also very difficult to find agreement among "character analysts" as to what physical characteristics indicate specific human qualities. Finally, we have experimental data on a considerable scale in which extremely accurate measurements show practically no correlation between the consensus of physiognomic systems and judgments which could not help but be highly correct.

We find several reasons for the fact that people believe in the efficacy of physiognomy and phrenology. A chance suggestion may prove right and attract so much attention that the failures are forgotten, inasmuch as they did not receive so much interest. The likes and dislikes of an individual are easily discovered and these form an index for suggestions as to what vocation it would be wise to follow. In the third place, the advice of an "expert" acts as a stimulus to success in the vocation recommended, so that

one is apt to succeed as the result of the stimulus rather than as the result of a wise choice of vocation.

The next chapter will introduce us to the more scientific methods of employment.

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XXIX

OCCUPATIONAL DESCRIPTION AND JOB SPECIFICATION

The nature and scope of occupational description and job specification. Advantages and aims of occupational description. The primary rôle of occupational description. Developing the job specifications. Temporary job specifications for quick results. Problems involved in a specific case. Summary.

In the search for scientific methods of employment, we find two instruments of considerable value—occupational description and job specification. Briefly, an *occupational description,* or job analysis, as it is sometimes called, consists simply of a description of a job, telling what sort of work it is and the nature of its duties. A *job specification* tells what qualifications one must have to fill the position. The former may say, for instance, that a certain position is permanent, clean, administrative, routine, day work, indoors and consists partly of sitting and partly of walking. The latter, for the same position might say that the man for the job must be a white male citizen, between 30 and 45 years old, who reads, writes and speaks English, has normal sight and hearing, and can handle other men and develop them, in addition to having numerous special qualifications. Both of the instruments generally used for the practice of scientific methods in employment are illustrated in Figures 35a, 35b, 36a, 36b, and 36c, on pages 504 to 508.

There seems to be no logical reason why the systems of occupational description and job specification should not be applied to the employment problems of the retail merchant, inasmuch as it has been found to be quite successful in other lines—more so with regard to simple or mechan-

Consolidated Gas, Electric Light and Power Company
OCCUPATIONAL DESCRIPTION

Name of Occupation: Designer Structural Steel — Symbol: 0406 — Date: May 13, 19--
Other Names:
Name of Department: Electric Engineers and Test Department — Symbol: 200 — Prepared by:

Pay

The employment salary is $30 per week.

Hours

8:30 a.m. to 5:00 p.m. Monday to Saturday, inclusive. One hour for lunch. 8:30 a.m. to 1:00 p.m. Saturday.

Duties and Responsibilities

The Designer Structural Steel "designs" the steel work necessary for "coaling towers" and "coaling bridges"; the steel "frame work" for "substation and generating stations," and miscellaneous steel structures such as stairways and platforms. All of this work is constructed either by contract, or by the company's building construction department.

In designing steel work the designer should be familiar with

(a) The "loads" to which the building or structures, will be subjected.
(b) Structural steel "handbooks," which give tables of the size of structural members for designated loads.
(c) The type of structural members, such as "eye beams," "H columns," "channels," "angles," and "girder beams" which he will use.
(d) The standard methods of making connections between "beams" and "columns," "beams with beams," and so forth.
(e) The necessary "struts" and "braces," and the methods of connecting these with columns and beams.

The Designer Structural Steel also designs the steel frame work for additions to be made to existing buildings. Before making these designs, he takes field measurements at points where the new work is to be added, noting carefully whether reinforcements will be necessary in any existing conditions necessary to be taken into consideration, such as connections of floors and walls and special foundations necessary for heavy machinery.

Where steel stairways, platforms or ladders are to be built inside of "substations" or "power houses," the designer takes field measurements at the location, allowing for clearance between new and existing work.

At times the designer designs "steel smoke breechings" for boiler rooms of power houses. In making such designs, he should make allowances for expansion of the "breeching" due to heat, seeing that proper clearances are allowed between these structures and existing steel work. He should be familiar with "expansion joints" necessary for "smoke breechings."

Approved: Department Head — Approved: General Department Head

Figure 35a: Occupational description form

ical jobs, of course, than it has with the more complicated executive and administrative positions. In consideration of the fact that most of our experience, in employment work, has been in the field of industrial and office work, with one great exception which will be taken up later on, we ask the reader to pardon us if we do not relate all of

	As he makes preliminary "lay-outs" of all designs, he should be familiar with standard drawing practices, structural steel designs, and standard drawing instruments. He must know how to operate a Universal drafting machine and use all miscellaneous materials used by draftsmen, such as, drawing paper, tracing paper, tracing cloth, different grades of pencils and drawing inks.
Personal Qualities Desired	A man 25 to 35 years of age is desired. Initiative above the average is essential, as he must, in most cases, use his own judgment in working out the best methods of design. Accuracy in determining the necessary size and kind of structural member is of prime importance, as a considerable saving of money is effected if these members are of the exact weight necessary to support a definite load, plus an additional load, for a factor of safety. Neatness in making drawings that can be understood by others is an essential quality.
Working Conditions	This work is permanent and is highly technical and mechanical in nature. Working at a drawing board, making drawings, may cause some eyestrain. The drafting room where the layouts and designs are made is well lighted, ventilated, and arranged. There is some outdoor work attached to this position, as when taking field measurements.
Education and Experience Desired	A fourth-year technical education or its equivalent is desired. One that is specialized on the theory of structural steel design is preferred. Two years' experience designing steel buildings for power plants and substations is desired.
Opportunities For Advancement	There is at present no direct line of promotion from this position. There is opportunity for men of this type to secure positions with high responsibilities with structural steel corporations.
Sources of Supply	Draftsmen of structural steel corporations are external sources of supply. Draftsman is an internal source of supply.

Figure 35b: Reverse side of occupational description form

our discussion to the subject of store employment, which was the means of our introduction to the problems of employment in general. Since the same principles apply to all employment in general, the reader may make such applications to particular problems as he wishes.

As a matter of fact, most employers and employment

OCCUPATIONAL DATA SHEET - HART SCHAFFNER AND MARX (1)

Designation Junior Typist Sex F Age 16 to 18 Symbol A110

Other titles in use none

Department Correspondence Division Typing

Section ____ Sub-Section ____

Department Head A Division Head A 1 Section Head A11

Pay from XX to XX Av. time in training 3 days Training by A 11

Promotion to A111 Time Av. 6m Pay from XX to XX

Transfer to B 11D Pay from XX to XX

Sources of supply Messenger Dept., school or outside source

Addenda ____

Statement of (a) duties, (b) responsibilities, (c) tools and equipment, (d) working conditions:

A Addresses envelopes. Two methods (1) typing (2) Speed O Feeder
Care of machine

B None

C Typewriter and speed O Feeder

D Sitting hours 8-11:45 and 12:45 - 5:00
Rest periods 15 min in morning and afternoon
The work is mechanical
Artifical illumination - indirect
Good ventelation
Noise - usual noise from typewriters and multigraph machines
Supervision - immediate and very close
Size of Section - 20 girls

Figure 36a: Occupational description

managers use the system of occupational description and job specification to some degree; that is, they know what certain jobs are and what requirements a person must have to fit into them, even though this is not written down; but

MINIMUM REQUIREMENTS

Physical requirements (2)

Strength Average Weight — Height — Eyesight Good

Other qualities none

Reason

Education

College					High School					Trade or Business School					Common School						
5	4	3	2	1		X	or				X				6	5	4	3	None		

Subjects required

Reason

Equivalents

Special Training X

5 mo.	4	3	2	1	3	1	None

Subjects required Typing - touch system

Reason

Equivalents

Experience X

5	4	3	2	1	6	3	1	None

Nature

Reason

Equivalents

Technical Skill X

Expert	Journeyman	Apprentice	None

Trade

Reason

Equivalents

Judgment X

Unfailing	Good	Average	Below Average
Errors cause great money loss or good will of customers	Errors cause confusion with other house	Errors cause confusion between depts. or sections.	Errors cause small loss of money or time

Kind and reason

Creative ability X

Highest Inventiveness	High Originality	Average Initiative	None

Kind and reason

Supervisory Ability X

200	150	100	50	25	15	10	9	8	7	6	5	4	3	2	1	None

Characteristics of force

Other qualities none

Figure 36b: Job specification

the results of such a hit-or-miss system are not always so good as might be obtained by more scientific methods. It is impossible today to accomplish much by the use of occupa-

(3)

ADDITIONAL QUALIFICATIONS DESIRED

Physical qualities none

Reason

	College	High School	Trade or Business School	Common School
Education		X	or X	
	5 4 3 2 1	G 4 3 2 1	G 4 3 2 1	G 8 7 6 5 4 3 2 1 None

Additional subjects desired

Reason

Special Training X

6 mo 5 4 3 2 1 6 3 1 None

Additional subjects desired Commercial course

Reason

Experience X

5 4 3 2 1 6 mo 3 1 None

Nature Typing

Reason

Technical Skill X

Expert Journeymen Apprentice None

Trade

Reason

Creative Ability X

Highest Inventiveness High Originality Average Initiative None

Kind and reason

Other qualities Willingness to do other clerical work

Figure 36c: Job specification (*continued*)

tional description and job specification where moral qualities are the principal ones in the specification, a fact which puts limitations on its use in many lines of endeavor at the present time.

ADVANTAGES AND AIMS OF AN OCCUPATIONAL DESCRIPTION

Occupational description offers advantages other than those dealing exclusively with employment. Often it may suggest ways of doing things better and more quickly, with less effort, fatigue, and cost. It also provides an outline of the sequence of operation, showing what is done first, second, third, and so on to the final operation. This may prove valuable in training new employees. It aids in figuring the normal output of the worker, increasing productivity and the income of the worker. Occupational description is sometimes valuable in coordinating all of the jobs in an industry.

Another of the advantages of occupational description is that if properly regarded it forces executives and workers to think seriously about each position, no matter what it is. It also defines the responsibility of the worker—management and his immediate superior. Some houses have included occupational descriptions of each position in the organization in their books of "standard practice." This sort of thing also enables the management to ascertain the effects of the job on the worker, so that undesirable features can be recognized and protective standards set up.

THE PRIMARY ROLE OF OCCUPATIONAL DESCRIPTION

The principal and original purpose of the occupational description is to furnish data for a corresponding job specification. The latter tells what to look for in applicants for the position and helps in keeping him functioning normally. The problem of drawing up job specifications is a very complex one, because there is an unlimited number of jobs, each of which varies somewhat according to the individual establishment in which it is located, and because there are so many varieties of trade and occupation, all of which are constantly changing. Some job specifications must therefore be continually altered to keep pace with conditions.

In the factory system of not so many years ago, the foreman had first-hand knowledge of the jobs under his control. In many cases he had held all or most of them before he was made foreman. In the new system of specialized and centralized employment, an expert in a particular line of work is not always able to discover in an interview whether or not an applicant has the sort of ability required for that particular line. While he knows his job well enough, he may not be a sufficient student of human nature to recognize the qualities which it demands in a man. This is where the job specification comes in. The expert can either draw up or aid in drawing up a description of his work which is standardized and based upon a practical analysis.

DEVELOPING THE JOB SPECIFICATION

There are two methods of arriving at job specifications. The first may be called the analysis of human qualities required for a position. Here an observation of the worker and his job is made to determine what human qualities seem to be necessary in the man who is to fill the position. The trouble with this system is that the attributes which we generally think of as human qualities are too general, abstract, and vague to be gaged. It is not sufficient merely to observe that a man must be persevering, careful, accurate, and so forth, although most employment is conducted on this basis at present with a fair degree of success. The scientific method of making job specifications is much more effective, however. This consists of observing the employee as he goes about a particular line of work, noting his motion, rhythm, efforts, habits, system of operation, and such things, which seem trifling but which contribute to the final result. The observer talks to the employee and finds out special points about the job, sometimes trying it out himself, to see what he can learn that way. He also notes carefully the surroundings and general physical conditions under which the task is carried out, with the object of

finding just what specific characteristics are required to fit a person for the position.

On the basis of the findings of the observer, tests are then developed which are calculated to measure the qualities which are required for each task. It is important that these tests measure qualities and not experience. The only practical way to find out whether or not these tests actually work is to try them out on a number of employees whose ability in the line of particular jobs is actually known from their production records. If the results of the examinations correlate with the records of the employees, the supposition is that the tests are accurate. Of course, a large number of employees give a more reliable index than a smaller group, as there is less chance of an incorrect average when many are tested than when only a few people are included. From the grades made in tests by employees of known ability, certain standards are developed, by which applicants for positions may be measured. If the average mark of all employees in a card sorting test for accuracy happened to be 40, for example, it is probable that applicants would have to attain a mark not far below that if they were to be engaged.

TEMPORARY JOB SPECIFICATIONS FOR QUICK RESULTS

One of the chief drawbacks to all of this is that it takes a great deal of time to work out an accurate job specification. The average business man wants quick results and is not willing to spend a considerable amount of money on what seems to be too highly theoretical. In such a case, quick results are obtained by the use of temporary job specifications. While these are not so perfect as the final and accurate standards, they serve the purpose with a fair degree of efficiency. While these are being used, they may be perfected, as developments occur, until they assume the form of the final job specification. This latter should include such factors as only actual measurements can deter-

mine, such as mental age—which we shall discuss later on—mechanical accuracy and similar capacities.

The temporary job specification should be somewhat as follows, to begin with:

1. It must be comprehensive, including the most important factor about the individuality of the particular job.
2. It must be brief.
3. It must be made in standard terms.
4. It must be concrete.
5. It may best be divided into three parts:
   - (*a*) Physical characteristics:
     - (1) Health
     - (2) Cleanliness
     - (3) Strenuousness
     - (4) Size and strength
   - (*b*) Mental characteristics
     - (1) Education
     - (2) General Intelligence
     - (3) Required experience
   - (*c*) Miscellaneous
     - (1) Possibilities of promotion
     - (2) Earnings and earning capacity
     - (3) Day and night work
     - (4) Working hours
     - (5) Permanence
     - (6) Overtime
     - (7) Personal traits
       - i) General appearance
       - ii) Religion
       - iii) Nationality and race
       - iv) Personal conduct
       - v) Union or non-union

It will be seen, of course, that this temporary job specification, as we have chosen to term it, is in reality a combination of occupational description and job specification. As it is constantly worked over, however, the elements which are really those describing the nature of the work—occupational description—are gradually replaced by specifications of those qualities needed to fit in with these conditions.

PROBLEMS INVOLVED IN A SPECIFIC CASE

Such a discussion as this is naturally quite vague and general. It may be that a specific case will not only be of greater interest, but also emphasize points of importance which might not otherwise receive the attention they merit.[1]

The author was once asked by the firm of Hart, Schaffner & Marx to install a system of occupational description and job specification for its office positions. First he studied the relation of the different departments, so as to obtain a comprehensive idea of the working connection of each and all of them. Then he centered his attention on the department which had the simplest jobs—not necessarily from the occupational standpoint, but from the functional angle. These might be called the primary operations. This was done because authority and supervision flow along the same course as the complexity of jobs from the functional standpoint. Let us say—though this was not actually the case in the example we are describing—that the primary operation in a department is to open mail and lay it out to be sorted according to the person in the department to whom it is to go. It is first necessary to observe closely just what the person in this position does. This is accomplished by watching him at work, by asking him questions, and by consulting with his supervisor. The temporary job specification then roughly shows the physical and mental requirements, amount of education, age and other general characteristics necessary for the job. From that, one passes on to the next position and makes a similar observation, the task becoming more complex as it progresses.

The endeavor to discover the exact factors which must be put into the job specification for "price-ticket clerk" was one of the most difficult of the non-supervisory jobs in the office, in the Hart, Schaffner & Marx survey. A word

[1]For a very valuable case study of job analysis, see Strong and Uhrbrock, *Job Analysis and the Curriculum*, Williams and Wilkins, 1923.

of explanation may be necessary to give the reader an idea of this task. To begin with, the garment workers in the shops are union workers, paid on a strictly determined piece-work scale. Each worker completes only one operation, as a rule, the work being highly specialized. An off-presser, for instance, is concerned with pressing only certain parts of a coat and does not handle other garments. In some operations, differences in style of particular garments make the compensation to the worker higher for some styles than for others. In pleating, for instance, some styles of garments require more work than others, and the pay for doing the work varies according to the amount and difficulty of it. Each garment or lot of garments, as the case may be, has on it a price ticket, on which there is a space for each operation, with specifications as to how it is to be carried out. As the employee finishes his work on the garment, he tears off the portion of the ticket having to do with his operation, the coat, or whatever it happens to be, going on to the next employee who is to handle it. The employee turns in these portions of the ticket he has kept, showing that he has done the corresponding work and is entitled to be paid for it.

It is the duty of the price-ticket clerk to make out tickets for each garment or lot of garments. To do this correctly, the clerk must know the different styles of clothing, understand the operations to be gone through in each case and be familiar with the prices paid for each bit of work. It is necessary to know by looking at a master price card, for instance, that since the card is for a particular style, it will require a certain amount and kind of pleating. It is impractical to take clerks and teach them all these things. The question was: Where do people who are qualified and willing to do this work come from? After considerable observation, it was decided that the only place where people came to know these things was in the factory itself. Yet the people who had done this work in the factory would be unwilling to leave the positions in which they were skilled

and consequently well paid to come into an office at a lower rate of pay, where their trained fingers were of little advantage to them.

The time-clerks in the shops proved to be the only ones familiar with the various operations who were at all available. Furthermore, they were *clerical* workers. Not all of them, however, were of the type who were adapted to office work; many of them fitted only in the factory. It was decided, then, that certain office employees should be sent into the shops to work for periods of approximately one year as time-clerks, with the intention of later becoming price-ticket clerks. Not all office employees, however, are either adapted or willing to work in the factory. It was necessary to find a particular type of person who would make good in *either* factory or office to fill the position. All of these things were discovered by the author as the result of conferences with various price-ticket clerks, factory time-clerks and supervisors, both of office and shop work. It was then obligatory, taking all these points into consideration, to discover just what specific qualities were required to fill the position of price-ticket clerk and also of factory time-clerk, and to devise tests which would measure these characteristics in applicants for positions or promotions.

SUMMARY

This brief chapter has introduced us to the method of occupational description and job specification, which is a stepping stone to the system of scientific employment in which we are interested. These have nothing to do with the actual rating of human qualities of individuals, which we shall take up in the next chapter. Their chief purpose is to discover the specific qualities which individuals must possess to fill particular positions. The occupational description is developed by observation of the worker and his duties and by consultation with those in positions to understand the work. The job specification is a standard of the human

qualities which enable an individual to meet the requirements of a position, compiled after the occupational description has been completed. The specification is verified and standardized by actual trial on workers whose performance records are known in the particular occupation.

This system is simply a scientific outgrowth of the method generally used by employers. It is of practical advantage not only in employment, but in promoting efficiency and demonstrating better ways of doing things. It also forces workers and executives to think seriously of jobs.

Where a business man is unwilling to wait for an accurate permanent job specification to be drawn up, it is possible to develop a temporary one which will serve the purpose while the more specific outline is being developed. The permanent job specification should contain such factors as only actual measurements can determine.

In the next chapter we shall become familiar with some of the scientific methods of measuring human qualities.

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XXX

PSYCHOLOGICAL TESTS IN EMPLOYMENT

Types of psychological tests. General intelligence tests. Special ability tests. Trade tests. Verifying and standardizing tests. The case of motor-car drivers' tests. The technique of giving tests: place; "shock absorber"; starting; recording history; directions; local conditions. Advantages and disadvantages of tests. The danger of dogmatic use of tests. Tests must be seriously regarded by subjects. Summary.

We have made considerable mention of tests designed to measure the capacities of individuals which fit them for certain positions. So far we have given no definite idea of what these examinations actually are, though some of them are so well known that the reader is probably familiar with their nature. We may divide them into three general groups, (1) general intelligence, (2) special ability, (3) trade.

GENERAL INTELLIGENCE TESTS

A general intelligence test consists of a specially selected group of problems which aims not to evaluate any special knowledge, but rather to gage objectively such capacities as attention, perception, learning, memory, imagination, and reasoning.[1] These tests are given individually or in groups and are graded according to the age and type of individual for whom they are intended. It does no good, for instance, to give a group of children a test which is designed for mature men, as all of the scores are likely to be so uniformly low that little differentiation is shown. In a case where the author was using intelligence tests on a large number of taxicab drivers, the Scott as well as the Thurstone intelligence tests were found to be too difficult—the majority of

[1]See, Woodworth, R. S., *Psychology*, chap. xii, Henry Holt and Company, New York, for a discussion of the psychology of intelligence.

the drivers ranked so low that one could not tell for a great number of subjects tested which ones had greater mental capacities than others.

Intelligence tests for business use should also seem relevant to the sort of occupation for which the applicant is being tested. In the case just mentioned, for instance, it would not be well to ask such a question as "How many are 10 apples and 5 apples?" The idea would seem absurd to a taxicab driver, as well as to an official of the company, because he could not see the relation between apples and taxicabs. A question such as "If four passengers plan to pay an equal share of the fare and the fare is $1, how much must each one pay?", has better results, because it is taken seriously and answered in the same vein. Specimen problems of a general intelligence test for taxicab drivers are given on the following pages, which it would be well for the reader to examine.

Since not every person can read and write, it is necessary to have tests for illiterate persons, as well as written examinations. By "illiterate" persons, we mean those who cannot read and *follow* directions in writing. Some people can read and write to a certain degree, but are unable to acquire sufficient meaning and significance from written sentences to follow directions. Illiterate persons must be judged by "performance tests" in which they are required to carry out certain operations which are designed to indicate general intelligence. One of these, for instance, consists mainly in fitting a number of oddly shaped pieces of wood into a board with holes to correspond, the time and the number of movements it takes to complete the operation being the criteria.

The value of general intelligence tests lies in their ability to eliminate those applicants whose intelligence is either too low or too high for a position. If a worker's intelligence is too low for a position, his work will not be satisfactory and therefore the labor turnover will be increased. If one's intellectual ability is much higher than is required for a certain

(Copyright, 1924. By the National Association of Taxicab Owners.)

No. of Test.....

NATIONAL ASSOCIATION OF TAXICAB OWNERS

SCORES
I.....
II.....
III.....
IV.....

Tests for Motor Drivers
(To be used with three performance tests)
Compiled by A. J. Snow
Consulting Psychologist, Chicago, Ill.

SERIES II

DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

Date of Test ..... 192....

Name of company.....City.....

Name of driver.....Age.....Nationality.....

Are any of your relatives known to be insane or feeble-minded? If so, which ones.....

How long have you worked for this company.....

Single?.....If single, the number of persons **WHOLLY** dependent on you?.....

If single, the number of persons **PARTLY** dependent on you?.....

Married?.....Living with your wife?.....

Number of children?.....Their ages?.....

Draw a circle around the highest grade of school reached:

Grades 1, 2, 3, 4, 5, 6, 7, 8. High School, Year 1, 2, 3, 4. College, Year 1, 2, 3, 4.

At what age did you leave this highest Grade, High School or College?.....

READ THIS:

In this test there are a number of different problems which you will have to do. Some of them will be easier than others, but read each problem carefully and do exactly what it says to do.

These tests will be given 25 minutes and you may not have time to finish, but work as fast as possible without making mistakes.

If you come to a problem you cannot do, pass on to the next one, but take them in the same order as they are numbered. Do not skip around.

These problems are not tests of education. The number of years you have spent in school has nothing to do with your ability to make a high score.

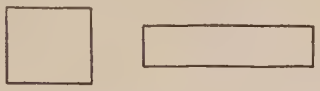
DO NOT TURN THIS PAGE UNTIL YOU ARE TOLD TO DO SO

Figure 37: This page of an intelligence test is designed to obtain the history of the subject and to give him general instructions.

position, he is likely to quit in favor of the first job which offers a better opportunity for the use of his capacity. He is also apt to resent the monotony occasioned by the fact that his duties demand only a small part of his mental

IF YOU COME TO A PROBLEM YOU CANNOT DO, PASS ON TO THE NEXT ONE.
WORK AS FAST AS YOU CAN WITHOUT MAKING MISTAKES.

6. Divide the figures below into **4** triangles by drawing lines within them.



7. These figures have been divided into **6** triangles.

Now divide the figures below into **6** triangles.

8. Write on the blank space the two numbers which should come next: **2, 4, 6, 8, —, —.**

The numbers to be written are **10** and **12**, write **10** on the first blank and **12** on the second blank.

9. Notice this sentence: **THIS IS A VERY GOOD YEAR.**

There are only two words in the sentence that are spelled with the letter "E," and these are "VERY" and "YEAR." Cross them out as in the following sample: **"THIS IS A VERY GOOD YEAR."**

10. Write on the line the name of an automobile that can be spelled with these letters: **DOFR**.....

The name of the automobile is **FORD**, so write the name "**Ford**" on the line.

11. Divide the line below into **4** equal parts.

12. Write on the blank spaces the three numbers that should come next: **3, 6, 9, —, —, —.**

Figure 38. A typical page from the intelligence test for motor-car drivers

endowment; he may even use this excess capacity in morbid imagination of his ill lot and eventually cause considerable dissatisfaction among other employees. Intelligence tests are also valuable in serving as a guide to promotion, training, and transfer. People of intelligence obviously above

IF YOU COME TO A PROBLEM YOU CANNOT DO, PASS ON TO THE NEXT ONE.
WORK AS FAST AS YOU CAN WITHOUT MAKING MISTAKES.

34. **Underline** the **TRUE** conclusion to this argument: All good taxicabs are well built. **This is a good taxicab.**

Therefore this taxicab is well built.

Therefore this is a poor taxicab.

If all good taxicabs are well built and this is a good taxicab, then it is true that this taxicab is well built and false that it is a poor taxicab, so underline the above words **"Therefore this taxicab is well built."** Do nothing else.

35. **Underline** one word which is OPPOSITE in meaning to the first word in capitals.

CITY.....country, life, state, street.

36. Write the name of an automobile that can be spelled with these letters: **OLDSBILEMO**.....

37. **Underline** all of the TRUE conclusions to this argument: **After a taxicab has been running for 10 minutes at a speed of 18 miles per hour.**

The water is boiling.

The back wheels are going forward.

The oil is cold.

The engine is warm.

38. This mark + means to add, like **2+2 makes 4.**

This mark — means equals, like **1+1—2.**

This mark — means to subtract, like **3—1—2.**

This mark × means to multiply, like **2×3—6.**

If **a** equals **2** and **b** equals **3** then how much does **a+b—**

a+b—5, so write the number **5** after the mark equals **(—).**

39. If **a** equals **2** and **b** equals **3** then how much does **a×b—**

The answer is **6**, so write **6** after the mark equals.

40. If **a** equals **2** and **b** equals **3** then how much does **a×b—a+b—**

The answer is **7**, so write **7** after the mark equals.

41. Notice the three squares below. There are numbers inside each square. The numbers are not the same for each square.

5	2	3
0	6	5

Square 1.

8	2	4
2	6	1

Square 2.

9	2	4
5	7	9

Square 3.

What numbers appear in square 1 that do **NOT** appear in square 2 or square 3? **Answer**.....
Numbers **0** and **3** are the only ones that appear in square 1 and are not in square 2 or 3, so write numbers **0** and **3** on the blank line after the word "Answer" above.

Figure 39: Another page from the intelligence test for motor-car drivers

the average of their fellow workers in routine jobs must be much more rapidly promoted or they will resign. If a man is shown to be somewhat above the intelligence level of his present job, it will be desirable to train him for a better position.

SPECIAL ABILITY TESTS

Special ability tests are designed to measure ability in lines which are *particularly* required for certain kinds of work. For instance, in the case of telephone switchboard operators, exceptional speed[1] and mechanical accuracy are demanded. For that reason, tests which measure these abilities, disregarding special training, are valuable in helping to pick out applicants who are especially adapted to work on telephone exchanges. The Seashore tests for musical ability or Stenquist's general mechanical ability tests, which have now reached a high stage of development, indi-

[1]The purpose of the experiment is to discover if the normal tapping rate of an individual is indicative of his ability to perform muscular activity.

The subject sits at a key consisting of a shallow steel bowl over which is stretched a rubber diaphragm. A rubber tube connects this with a tambour which registers the movement directed upon the key by the reciprocal vibration of a rubber diaphragm, upon which is mounted a wooden needle. This needle registers upon sensitized paper revolving around a kymograph. The time is recorded in seconds on the same sheet of paper parallel to the record. This is done by means of a pendulum which makes and breaks the current in an electrically operated tambour.

In the first part of the experiment the forearm of the subject is placed in a plaster cast, and the middle finger is used to operate upon the key. This entirely restricts the efficient work to the following muscles: the *Palmaris Longus,* the second and third *Lumbricalis,* the *Interossei Dorsales,* and *Interossei Volar.*

The subject then seated before the key, is instructed and urged to work as fast and as long as possible.

The length of each stroke is measured and the total of these lines used to indicate the amount of work performed. The number of strokes made and the time used are recorded—the lengths are measured in millimeters and the time in seconds.

In the second part of the experiment the subject stands before the key without the cast. He is instructed to tap as fast as possible, in the same way, for one minute's time. Only the last 30 seconds are used in the record, this is to allow the subject to reach his normal "stride," so to speak. The number of strokes during this period are counted.

The number of strokes per second, in the last 30 seconds, is invariably the same. The average length of the average number of strokes per second in the first part is correlated with the number of strokes in the second part of the experiment. From the record of six subjects a +.76 correlation has been found.

A development of this principle should have an interesting significance to industry. By its application it may well be possible to predict in part the value of the telephone operator, the speed of the typist, and the highly probable speed ability of the lathe worker.

(Mr. Stewart Roberts has been helping the author in this work.)

cate what can be accomplished in this general field of special ability.[1]

In order to bring out some of the principles involved in the working out of special ability tests, we may well review the problems confronting the author in a recent survey. He was requested to develop tests which would indicate persons who would not be "safe" among those applying for positions as taxicab drivers, so that these could be eliminated, in accordance with the company's policy of safety. A study of the records of over 6,000 drivers, of the Yellow Cab Company of Chicago, covering a period of one year, showed that 46% of the accidents were caused by 18% of the drivers. If this 18% were to be replaced by "safe" drivers, it was evident that the number of accidents would be considerably reduced. A careful occupational survey was made, in which the author observed numerous drivers under all sorts of situations, riding with them and even driving a cab himself. The result of this effort was a decision that accidents caused by drivers of taxicabs may be traced to three main sources, (1) bad judgment, (2) inactivity or wrong activity through fear or emotional instability, (3) carelessness and recklessness.

The next task was to develop tests which would rate drivers according to the natural qualifications they possessed in these three directions. So far as judgment was concerned, it was found that a man must be at least a high-grade moron to be safely intrusted to drive a taxicab. A specially devised intelligence test was found to be practical in measuring judgment. In order to determine emotional stability, which is the second essential for safe drivers, a "fear-time-reaction" test was developed, in which the applicant reacted as instructed under emotional disturbance, and the length of time required for reaction was used as a

[1]For the Seashore's test see, Seashore, C. E., *Introduction to Psychology*, pp. 399, 401. The Macmillan Company, New York, 1924. For Stenquist's test see Stenquist, J. L., *Measurements in Mechanical Ability*. C. H. Stoelting Company, Chicago.

criterion.[1] The device used for this test is illustrated in Figures 41a and 41b, on pages 528 and 535. For the third quality, carefulness, a "carelessness test" was designed to indicate general habits of neglect for safety in individuals. The development of this test will be described when we come to discuss the standardization of tests.[2]

TRADE TESTS

Where union labor is employed, the presumption is that if a man is a member of a union, he knows his trade, or he would not have been admitted to membership. Some unions are rather strict in their requirements for membership, and in these cases the employer does not have to go to the trouble of ascertaining a man's ability to do certain kinds of work, so far as knowledge and training are concerned. It is frequently necessary under other circumstances than these, however, for the employer to discover whether the applicant can actually do the operations required in a particular skilled trade. In such cases trade tests, designed to discover actual knowledge of occupations, are frequently utilized. Trade tests were developed considerably for use in the army during the World War.[3] The various government civil service commissions have also done a good deal along the same line.

Trade tests must, of course, be practical. They must be worthy of the occupations with which they are associated. In the army examinations, for instance, at one time, one of the original requirements a man must pass in order to become a tinner was that he make a good tin cup. The average tinner could not see, however, what that had to do with tin roofs and drain pipes. Though the test showed con-

[1]The distribution of test scores is the same, even though, today, the applicants know a great deal about the tests before they take them.

[2]Link, H. C., *Employment Psychology,* (The Macmillan Company, New York, 1921) gives a number of very valuable special-ability tests.

[3]Chapman, J. C., *Trade Tests,* (Henry Holt and Company, New York, 1921) presents to the reader a detailed study of the army trade tests.

siderable correlation with actual ability in the trade, it had to be abandoned in favor of another.

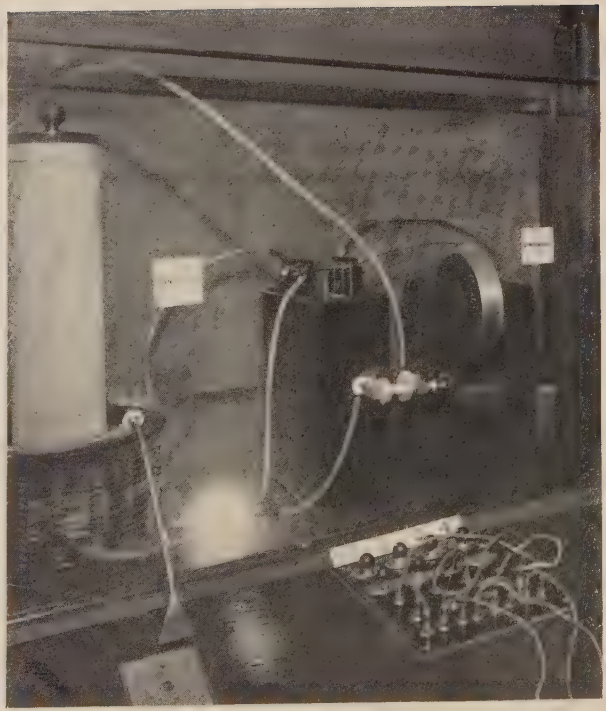
Trade tests are developed directly from occupational observation, usually with the aid of foremen and tradesmen themselves. Sometimes oral or written tests suffice; at other times actual work must be done to prove a man's ability and knowledge of principles; frequently both of these methods are combined to give the best results. The test questions and papers should be standardized and represent a well-thought-out series of questions aimed at the most important points.

There are three types of trade tests so far developed—the picture-question, the oral-question, and the performance tests. The first one pictures objects, processes, tools or parts and the question refers directly to these. The second, most commonly used, contains questions about the trade, which are to be correctly answered only in one way, or still better, by the use of one word. The third group of tests consists in the completion of a short *representative* task, using standard methods, material and tools. The score is proportional to the quality of work and the time required to complete it. The greatest progress in the development of trade tests has been made for office occupations. The tests used were of general intelligence as well as of special acquired proficiencies. Successful tests have been developed for clerical occupations, for typists, stenographers, and other office occupations.[1]

We have on the market a number of very valuable tests for clerical occupation, which are not, however, strictly speaking trade tests. A typical test taken from that group aims to measure some of the traits of character and temperament which are essential to success in business. It is generally acknowledged that successful men are not measured by intellectual ability alone. Verbal intelligence,

[1]Kornhauser, A. W., and Kingsbury, F. A., *Psychological Tests in Business*, (University of Chicago Press, 1924) present a clear statement of many psychological tests, their value and use.

Figure 40: Taxicab drivers taking an intelligence test at the Psychological Laboratory of the Yellow Cab Company of Chicago (Mr. B. C. Moore in charge)



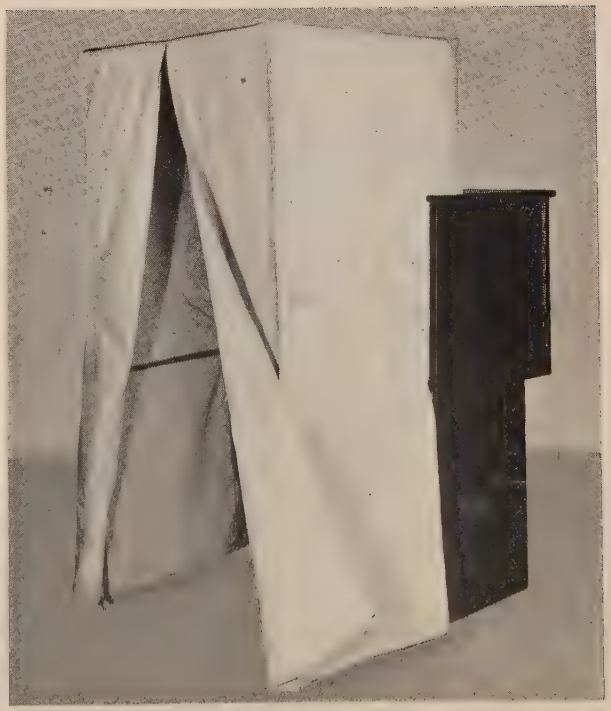


Figure 41a: Two views of the device used for the fear-time reaction" test for motor-car drivers. The illustration at the right shows the portable dark room.

though an important factor in success, needs to be supplemented by certain character qualities which enable a man to carry through a proposition in spite of difficulties. Not all of the important character traits can be brought to light by tests; for instance, Carnegie Institute of Technology Bureau of Personal Research Test IX includes those traits which can be objectively measured.

The characteristics indicated by parts of the test are as follows:

Speed of movement.

Freedom from inertia. Tendency to work at one's highest speed without external pressure.

Speed of decision, better traits. Quickness in reaching a decision or conclusion.

Speed of decision, personal traits. Quickness in reaching a decision on subjective, personal questions.

Flexibility in disguise. Capacity to modify one's routine activities. Ease in readjustment.

Motor impulsion. Impetuosity and energy of action.

Assurance in visual memory. Degree of confidence with which one maintains his opinion against contradiction.

Freedom from self-consciousness. Relative ease of decision and action in personal as compared with impersonal or objective problems.

Coordination of impulses. Capacity to handle a complex situation successfully without forgetting either of the two factors involved.

Motor inhibition. Capacity to keep in mind a set purpose and achieve it. It involves power of motor control, coolness, and patience.

Care for detail. Attention to details.

Preservation. Continuous effort to attain an indefinitely defined end.

It must be remembered that each part of this test is interpreted in its relation to the other parts; the type or pattern is of most importance. Finally, the desirability of certain traits depends to some extent on the amount of intelligence that goes with them. For example, a man of

"rapid fire" action with low intelligence would be a dangerous citizen, but a "rapid fire" man with high intelligence, often becomes a big executive.

VERIFYING AND STANDARDIZING TESTS[1]

One of the principal tasks in connection with the development of tests is to determine whether or not they actually do measure *accurately* the qualities for which they are designed as standards. The only real way of finding out how efficient tests are is to try them out on large numbers of people whose average capacity in the qualities to be tested is fairly well known. If the examination is a trade test, it is necessary to try it out on workers whose ability is known. If it is an intelligence test, it must be tried on groups of people whose average intellectual capacity can be judged by other means. If a trade test is given to a group of workers of varying ability and the results of the test correspond exactly to the records of actual work performed by the men for a considerable period, we say the correlation is perfect. As a matter of fact, of course, a perfect correlation would be well nigh impossible in most cases, due to various unavoidable circumstances. The actual work of correlation is a problem to which the reader may refer in numerous technical works, if he so desires.[2]

Several interesting problems arose in the author's development of the tests for motor-car drivers, which have been previously mentioned. The score for perfect performance in the intelligence test, for instance, was 150. The

[1]Because this book is written primarily for the merchant and student rather than the psychologist, the problems involved in the making and the standardization of tests have been briefly surveyed rather than treated exhaustively. References to authors on these problems have been indicated.

The technique of giving tests, however, has been treated in more detail to meet the needs of the present practice, that is, for the benefit of those, not trained psychologists, who must administer the tests.

[2]Gregory, C. A., *Fundamentals of Educational Measurement.* Hines, H. C., *A Guide of Educational Measurements.* Kelley, T. L., *Statistical Methods Applied to Education.* Thorndike, E. L., *Mental and Social Measurements.*

scores made by the 6,000 drivers varied from 9 to 142. The distribution curve of results was normal. In the "fear-time-reaction test," whose purpose was to determine emotional stability, the time varied from 1 2-5 seconds to 15 seconds, the mean being about 2 seconds. In the carelessness test, in which the number of errors was the criterion—the maximum being 13—the variance was from zero to 10, with a normal distribution curve.

It was assumed that if these tests correlated highly with the accident records of these same drivers for a period of one year, the validity of the former would be assured. This, however, involved numerous difficulties. One thing to be considered was that some accidents were more serious than others and it was difficult to assign any particular value to them for purposes of correlation. Then, again, some of the men had not worked an entire year. Some accidents were clearly the fault of drivers of other cars than the taxicabs. Finally, numerous accidents were obviously caused by the carelessness of pedestrians. The outcome of all this was that the author with the cooperation of the legal department of the company had to decide if the accidents were (1) the result of carelessness or poor judgment on the part of the cab driver, (2) unavoidable, as some accidents undoubtedly are, (3) questionable as to who was to blame, (4) clearly the fault of persons other than the drivers of Yellow Cabs. In rating drivers for the purpose of correlation with the tests, only accidents which were charged to their lack of caution and judgment were used.

There was a definite positive correlation between the results of each of these tests and the accident records, but the rate of correlation was not the same in all cases. The intelligence test—considering only drivers who scored 60 points or less—had the highest positive correlation, the "fear-time reaction" test the next and the carelessness test the lowest.[1] This correlation might indicate either one of

[1]In order to prove the value of the motor-car drivers' tests, to the satisfaction of the Yellow Cab Company of Chicago, the author tested 311

two facts: (1) that lack of intelligence accounts for most accidents, or (2) that the carelessness and "fear-time reaction" tests are not so accurate as the intelligence test.[1]

In some cases one capacity is more important than another and tests must be arranged to take this fact into consideration. Where filing clerks are employed in a particular sort of work, for instance, it may happen that accuracy is of greater importance than speed, though both are desirable and necessary. After adequate tests of these two qual-

applicants for positions as taxicab drivers and predicted, in a report to the officers of the company, which of these new employees will have the most accidents. The author predicted also which applicants in the group will not remain long in the company's employ. Only two tests were used at the time—intelligence and "fear-time-reaction."

The legal department of the company kept a record of accidents for each driver in the experimental group for a period of 10 weeks. The results of the experiment are given, in a tabulated form, below.

Classification	Number of Men Employed	Men Never Started to Work	Men That Dropped Out	Men Still Working	Accidents			Men That Had Accidents	Men That Had More Than Two Accidents	Average Number of Accidents per Man*	Percentage of Men That Had Accidents*	Percentage of Men That Had More Than Two Accidents*	Percentage of Men That Quit*
					Carelessness Gross Negligence	Questionable	"No Liability"						
Unsatisfactory Group	34	8	5	21	26	7	9	17	10	1.00	64	38	19
Group That Will Not Stay Long	19	1	6	12	3	0	2	6	0	0.16	33	0	33
Satisfactory Group	258	10	50	198	50	19	24	84	32	0.20	33	12	20

* This tabulation does not include accidents which are "Questionable" or "No Liability."

[1]The reader may be interested in knowing that exceptionally high intelligence is no guaranty of safety. A very intelligent individual might make an extremely poor driver for a motor car, for instance, a fact which the reader may doubtless corroborate from personal acquaintance. Neither does quick reaction to stimuli under pressure of emotional excitement assure safety in itself. A combination of all of the factors is necessary; where one is lacking, the driver cannot be relied upon. In some industries, not all requirements are equally essential. A high mark of attainment in some special ability may compensate for a low one in another test.

ities have been developed there still remains the problem of assigning a value to each in proportion to the importance of the characteristic measured. If both tests are known to possess approximately the same degree of precision, and the one for accuracy correlates with the record of actual performance twice as well as does the one for speed, then the grade for accuracy should count in the proportion of 2 to 1 for speed. Suppose that it is decided that applicants must make a total score for these qualities of 150 if they are to be engaged. In that case a person could make a grade of 150 by getting 100 in the speed test and 25 in the accuracy test, each point in the latter being worth 2 points of score in the former, giving a relative value of 50, total, 150. If the speed rating was only 50, it would take an accuracy rating of 50 to complete the total 150 points.[1]

THE TECHNIQUE OF GIVING TESTS

1. *The place.* Several factors in addition to the construction of tests must be taken into account in giving them. First, they must be given in a place where there is as little counter attraction as possible. It must be quiet, or at least free from excessive noise and the lighting must be good. The furnishings should be unobtrusive, as also should the dress and manner of those who are to conduct tests, so that they do not detract attention from the business at hand. The examiner should speak and act with assurance, as otherwise the subject is not so apt to have strict confidence in the whole affair.

2. *"Shock absorber."* In giving most tests, one finds that the majority of the subjects are somewhat nervous at the start. For this reason, it is well to precede the regular questions by a few "shock absorbers"—questions which are seemingly in line with the rest of the examination, but whose purpose is merely to overcome the initial excitement and get

[1]For the actual work of prorating see the reference to mental measurements on page 530.

the subject into the right attitude for what is to follow. The answers to these preliminary questions may or may not, of course, be counted in the final result. The real tests should follow in good continuity.

3. *Starting.* As a rule, the subjects should be given instructions as to what to do and made to wait for the word "Start," at which they all proceed with the work. Link has discovered that the word "Go" has too much of the connotation of a race and is apt to rush the subject unduly. If "Start" is pronounced in an even monotonous voice, it seems to accomplish the best result. The examiner should note the time with a *concealed* stop-watch, unless it is intended to have the performances done at top speed, which is sometimes the case. Obviously viewing a watch causes the subjects to worry about the time, which has considerable effect on their performance.[1]

4. *Recording history.* With some tests, such as written ones for intelligence, the name of the subject may be written on the paper just before the questions are answered. This may also help to serve as a "shock absorber," as illustrated in Figure 43, on page 538. For performance tests, particularly where there is no writing and subjects are taken one at a time, it is best to record the names before the test is begun, much as an office girl gets the record of patients before they go in to see a busy physician. One test should follow another with a minimum of delay, if there are several of them, so as to avoid unnecessary suspense on the part of the subjects.

6. *Directions.* The directions for subjects must be standardized, so that all subjects get the same ones. They must be "fool-proof" and not easily misunderstood. If they are ambiguous, the results are apt to be imperfect and not uniform. Simple written directions are preferable to spoken directions, as the latter are likely to vary from time to time, especially if given by different examiners. If directions

[1]Psychologists as a rule advise against the concealment of the stop-watch.

Figure 41b: Controlling switchboard for the "fear-time reaction" test for motor-car drivers (Mr. Paul Hendrick in charge)

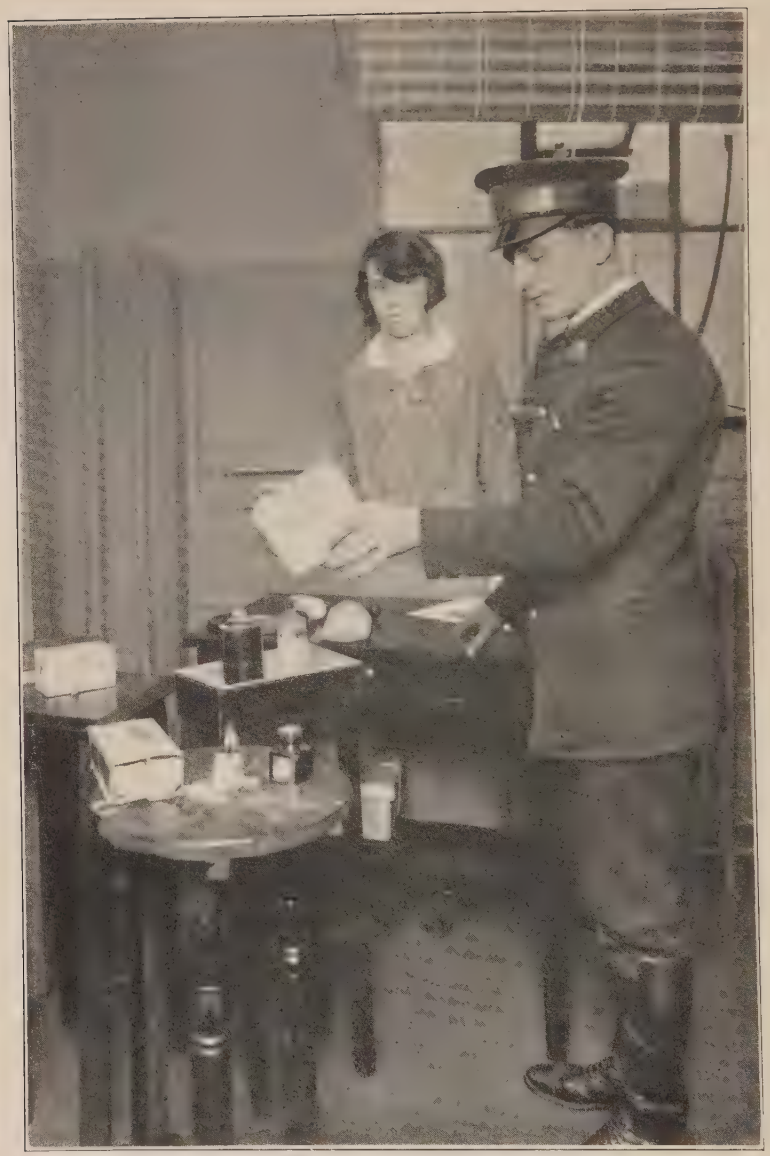


Figure 42: Subject taking the "carelessness test" for motor-car drivers (Miss Charlotte Dodge in charge)

must be given orally, however, as is frequently the case, it is well to include certain standard gestures, especially if the tests have to do with mechanical performances which can be demonstrated in this way.

The value of the tests is proportional to the efficiency of the method employed in giving them. It woud be impossible to state once and for all what the proper method would be in each case. That is gained only through thorough study of local conditions in each individual company and the proper training and instruction of the man who will give the tests for each company. The only way to have the tests operate with the maximum efficiency is to have them installed by an experienced psychologist.

ADVANTAGES AND DISADVANTAGES OF TESTS

So far the psychological tests give promise of solving many of the problems of employment. We must not be too optimistic, however, as there is much to be done before they have reached any sort of perfection. Only in the field of simple clerical and factory work and in some special abilities, such as musical talent, have the tests become standardized. We recognize the fact that certain of the trade tests are quite practical, though some of the best of these can hardly be classed as psychological, and therefore the results obtained from them cannot be used as an argument for psychological tests.

Some of the *advantages* claimed for properly developed and administered psychological tests are:

1. They point out the relevancy of different operations in an occupation.

2. They are just and economical. They do away with waste, favoritism and prejudice, and above all, they are objective.

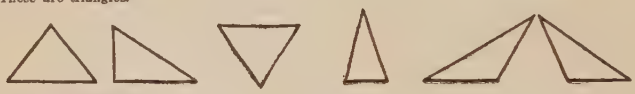
3. They bring about "normal functioning" of employees by putting them into the jobs for which they are best

1. List the names of all the objects you can REMEMBER that were on the preceding page. DO NOT LOOK BACK AT THE PICTURES.
Write below as rapidly as you can.

2. Notice the line below.

Draw a line across the middle of the above line dividing it into two equal parts, like this.

3. These are triangles.



Draw 2 triangles below.

4. Divide the line below into 3 equal parts by drawing short lines across it.

5. These figures can be cut up into triangles.

Cut up each of the above figures into 4 or 6 triangles by drawing lines inside the figures, just as in the samples below.

WHEN YOU FINISH WITH A PAGE TURN OVER TO THE NEXT ONE

Figure 43: "Shock absorbers" for the motor-car drivers' intelligence test

adapted. They see to it that people are placed where they can do the kind of work for which they are fitted and therefore the sort of thing they like to do. By showing that the movements of certain types of mental defectives are

automatic, for example, the tests enable the persons of these types to be assigned to manual work which they like.

4. By placing the worker in the occupation for which he is best fitted, the earning capacity of each person is increased.

5. Because these tests put men in the right jobs, they tend to reduce the labor turnover.

6. Employment according to these tests is the only method with a promising future.

7. These tests emphasize the qualities demanded for certain lines of work and in that way serve as a guide to the sort of thing which must be taught in training schools.

8. These tests aid in promotion and transfer.

9. The reasons for the failure of particular tests or their failure to correlate with records of performance often throw new light on business and science alike.

There are also a number of *limitations* to these tests which must be mentioned in the same way:

1. They do not apply to complex jobs. In administrative positions, where moral qualities are primary, no adequate ideas of tests have been developed.

2. They cannot offer final ratings. New data are constantly changing the bases of judgment.

3. The difficulty of getting a sufficient number of workers whose records may also be used for correlation is too great for practical purposes.

4. The correlations of these tests are never very close, so that they are not absolutely accurate. There are always some probable factors which are not tested, so that perfect correlation cannot be obtained.

5. So far, tests have been useful only for elimination of applicants who are obviously undesirable. The applicants, however, who are able to pass the tests may or may not be found capable, because of volitional and interest factors that are not tested.

6. Very few, if any, tests take into account the subject's

ability to improve; no reliable method of testing this ability is known.

7. Volitional factors are almost entirely neglected. Primary interests and fundamental likes and dislikes are not taken into account, in most cases.

THE DANGER OF THE DOGMATIC USE OF TESTS

At present there is a tendency on the part of some investigators to be too dogmatic. We are not as yet fully able to recognize, identify, and classify psychological functions. Our rather empirical methods are promising, but we must wait patiently until cooperative investigations have given more positive results before we become too sure of ourselves. We have not as yet developed the true scientific insight, and so we must not condemn people to an occupational life which is not normal for them solely on the results of tests which are still in the experimental stage. We must follow up these instances where the tests have obviously failed in order to correct them on a truly scientific basis.

One of the great objections to the use of many of the psychological tests now in existence is that their success depends upon controlled conditions which are often absent when given at random by all sorts of investigators. Part of the success of the army tests in the late war was due to the fact that they were simple and that they were given universally under much the same set of conditions. In performance tests the difference in the way directions are given, especially if the examiners are not particularly skilled, may account for such variance in results as to render them useless. Until tests are made so simple and "fool-proof" and uniform in conditions under which they are given that there is no chance of error, they cannot be unconditionally recommended for general business use. These things do not always hold true in the case of skilled examiners, however, for the latter are able to insure properly controlled conditions.

TESTS MUST BE SERIOUSLY REGARDED BY SUBJECTS

The accuracy of the results gained from a test depends considerably on the attitude taken toward it, as has been previously mentioned. An experience of the author in the early stages of development of one of the tests for motor-car drivers may serve to illustrate this. The original test for "carelessness' in its crude stage was performed as follows:

The subject was directed to enter a small room in which there were four articles of furniture—a large solidly built table and three smaller ones. The entire top of one of the latter was built to resemble a large pan; it was filled with water to a depth of one inch, so that anything set on it would be in the water. The second of these tables had a small round top, with a lighted bunsen burner in the center of it. There was ample room to put things around the edges where they would not burn unless they were specially inflammable. The third of the smaller tables was obviously quite unsteady and would collapse with very much pressure. On the large table were the following articles: a box of eggs, a single egg, an electric light bulb, a book, a bottle of ink, a bottle marked "GAS," a bottle of oil, a red can containing a fluid which smelled like gasoline, a framed picture, a sack of flour, a sack of sugar, a cake of soap, and a pound of butter in a carton.

The examiner gave these directions, always in the same manner: "You are to place each of these objects on one of the small tables, using your own judgment as to the position they are to occupy, *but be careful to avoid damaging them.* Work fast, as time is important. You may begin." At that moment a stop-watch was snapped, *though the time was not recorded,* the purpose being merely to hurry the subject, to see whether or not he would sacrifice safety for speed.

Obviously there was one place where each of the objects could be placed without damaging it. If the gasoline (imi-

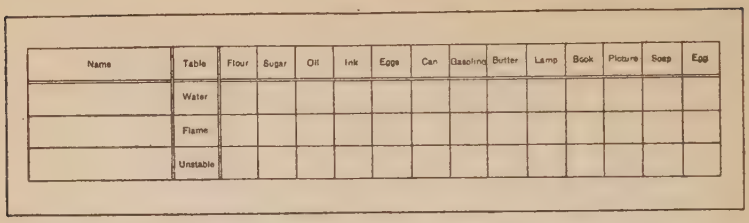


Figure 44: Form used to record the response of the subject in the "carelessness test"

tation) were put near the bunsen burner, for example, a poor judgment had obviously been made. The only really safe place was in the water. That judgment was worse, from the standpoint of safety, though, than the error of putting it on the weak table. In correlating the results of the tests with the records of accidents of each driver, it was found that some of these errors, namely the ones connected with the weak table, should only count one-half as much as the major errors. The form used in recording the results of this test together with a photograph of a chauffeur taking the test are shown in Figures 42 and 44 on page 536 and above, respectively.

On the whole, this "carelessness test" correlated favorably with the actual records of accidents. However, the test seemed so absurd to the drivers and some of the management, because it did not appear to have any definite relation to driving a taxicab, that it had to be abandoned in favor of a test which they judged to be more relevant. It was impossible to get the right attitude on the part of the subjects with it—a factor very desirable in psychological testing.

SUMMARY

In measuring the human qualities of individuals, to see whether or not they possess the attributes corresponding to those listed in certain job specifications, we find three general psychological tests to be of service: (1) general intelligence, (2) special ability, (3) trade.

General intelligence tests, whether written or oral, consist of specially selected groups of problems which aim not to evaluate any special knowledge, but rather to gage objectively such capacities as perception, attention, learning, memory, imagination, and reasoning. These must be adapted to the type of person whose capacity they are to measure. In business practice, they are used to eliminate from groups of applicants for positions those whose mental ability is too high or too low to be in accordance with the requirements of the jobs.

Special ability tests are used to gage capacities which are peculiarly necessary for particular occupations. Trade tests have been developed which indicate the general knowledge a man has of a specific trade, as well as the ability he has to carry out certain essential operations in its pursuit.

Before tests of any kind can be put into use, they must be verified by correlation with standards known to be accurate, just as foot rules must agree with approved measures if they are to be correct. If the results of tests are to constitute precise and veritable criteria, they must be given under uniform controlled conditions with due observance of the proper technique.

As the advantages and disadvantages of psychological tests have been given in a sort of outline form, we shall not repeat them here. In developing and using tests, it must be borne in mind that if they are to be practical, they must impress subjects so that the latter regard them earnestly and seriously. In order to avoid the attitude that tests are absurd, they should be made to seem relevant to the line of ability they are designed to test.

The next chapter will consist of a description of a sample general method of employment designed to illustrate some of the abstract principles mentioned in earlier sections.

Problems

XIV—1-4, 7, 9, 11, 12.

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XXXI

THE GENERAL METHODS OF EMPLOYMENT

Introduction. Obtaining new employees. Interviewing applicants. Getting the applicant's record. Starting the new employee. Promotion, transfer, and discharge.

Much of our discussion of employment, in many places too brief to be explicit, has been largely theoretical, with few practical illustrations. It is with this in mind that we bring up the discussion of the general methods utilized in employment. This offers an opportunity to show how some of the principles mentioned in the abstract operate in actual practice.

It must be remembered that human efficiency is determined in a measure by the impression the worker first receives of the place where he is employed. If he is given to believe that he will have to do considerable work, but that the management will appreciate what he does, compensating him for it and cooperating with him in it, he is likely to put forth greater effort than if the store or shop does not seem to have efficient methods of doing things nor of recognizing the efforts of employees.

There was a time when the prevailing system of employment made a self-respecting man feel he was asking a favor of an employer when he went to see about a job. The aim of the proprietors of large stores and industrial plants was to get as much work out of men and women as possible at the lowest price. There was small regard for sanitary conditions and little attempt to make work pleasant for people. As related to employment the spirit was something like this: "You have come to us for a job. Here is the work. Take it or leave it. If you don't like our terms, you don't have to work for us. As a matter of fact, though, we know that

you have either to work or starve, and that means that you will accept our terms."

Today the purpose of the owner of a store or industrial plant is still to get as much work done as possible at the lowest cost. In most cases, however, the method of carrying out the aim is considerably different. This is partly due to the fact that organized labor has demanded better treatment than labor used to have, and partly to discovery of the fact that employees can render their best efforts only under conditions where they like their work and are interested in it, with the assurance that they are to be compensated fairly for it. Some employment offices consider it a favor for people to come to them and offer their services, as it is frequently difficult to get the right kind of help when it is needed. Good-will is just as essential in getting help as it is in selling and advertising. For that reason it is important to make an applicant like the place and think well of it, even though there may be no opening for him.

With these things in mind, let us observe a sort of model general system of employment. We realize that in discussing this, we run great risks of being misinterpreted, because obviously in a general system there are elements which will not work in all specific cases, just as in some specific cases there are methods which are better than those given for general cases. If the reader will take these things into account, we shall proceed with our description.

OBTAINING NEW EMPLOYEES

The employment department is in touch with all of the other departments in the organization, no matter whether it is a store, a factory, or a railroad. Sometimes the employment department engages all new employees except officers of the company, who are agreed upon by boards of directors or by other officers, or it may hire only minor executives and workers, limited even then by consultation with the head of the department into which the new employee is to go.

We shall begin our observation with the requisition for new help which is sent in by the department where workers are needed. Sometimes this is in the shape of a written requisition on a printed form, sometimes by telephone, or perhaps the foreman may drop into the employment office and say, "Bill, get me a couple of errand boys." Then the employment manager or one of his assistants get out the job specification for whatever position is to be filled and finds what sort of person is needed for the place.

There are at least six sources from which help may be recruited, though not all of them will yield the right sort of person, in many cases. First, there is the advertisement in newspapers, which may reach unemployed people with the necessary qualifications. Secondly, there is a file of names of people who have previously applied for employment, at times when there were no vacancies for them. Thirdly, there is a file of former employees, laid off because of the slackness of work or for other reasons which would not keep them from reemployment in case they wanted to come back. In the fourth place, there is the possibility of getting hold of suitable applicants by having employees bring in friends and relatives. The fifth source is the employers' association or the system by which employers notify each other of the employees they have had to let go, because they no longer need them, whose services might be utilized by others. Sometimes when one establishment is letting a good man go, the employment manager will call up other employment managers to ask if they want him. The last source of help is the public employment agency. We might also add schools and training departments as a source of new labor. Some organizations conduct schools to train people for special work, offering them positions when they have completed the course of instruction.

To continue with the narrative—the employment department surveys these possible means of getting someone to fill the position in question and selects the fields which seem

most promising. Letters or calls are sent to people who might be suitable applicants for the position. If it is necessary to advertise, the situation is made as attractive as it *truthfully* can be, so that people will want to get it.

INTERVIEWING APPLICANTS

When applicants for positions arrive, they enter an office or waiting room which is easily accessible from the street, so that they do not have to wander around a long time looking for it. This place has plenty of light and air, though it does not need to be particularly well furnished. The furniture is of the plainest, but there are plenty of chairs and benches where applicants may sit and not have to stand. A preliminary interviewer first talks to applicants. Sometimes this is merely a young woman who finds out what sort of position the applicant wants and conveys this information to the employment manager. Preferably, though, in most cases, there is a young man who does this preliminary work. He is either in a private office or in a part of the waiting room where some sort of privacy is afforded for interviewing. He is familiar with the company's employment standards and is therefore able to weed out those who are obviously unsuitable for certain positions. Some of these he informs that the company has no openings for them; from others he places applications on file in case there should be openings later on. A few are requested to interview the superior or final employment man. The preliminary interviewer must therefore have special tact in doing his work, in order to avoid ill will on the part of those whom he dismisses.

The second interviewer has the job specification. He discusses with the applicant some of the points which are emphasized in it, especially the length of time it takes to learn the work involved, the educational requirements and advantages it offers, the seasonal features, permanency of the position, its future, rate of pay, average output on piece-work or commission basis and the possible fatigue, occupational

disease or overstrain which may result if the applicant is not properly qualified for the work. At times the second interviewer is aided by a foreman or specialist in the particular line of work involved; the additional man may participate in the second interviewer's conversation with the applicant, or he may conduct a separate interview of his own, notifying the employment department of his opinion. Then the applicant should be given psychological tests and physical examinations which are necessary.

This interview is for the purpose of getting an idea of the applicant's qualifications and especially to discover his point of view. It gives the applicant a chance to analyze himself, as well as to impress his prospective employer. He decides whether or not he is fitted for the position, whether it will be worth while for him to go after it with all his effort. In this way many applicants eliminate themselves by deciding it is useless to try to get a position, because either it is not what they want or they have little chance of getting it if they do want it. So far as possible, the interviewer meets the applicant on his own level. When the latter "feels at home" and at his ease, he gives a more reliable estimate of himself than he otherwise could.

GETTING THE APPLICANT'S RECORD

The interviewer bases little of his judgment upon the written references which the applicant carries. Obviously, they are good, or they would not be presented. He does, however, pay considerable attention to the record which he has the applicant fill out, telling such things as the firms for which the latter has worked, the dates of employment, (taking care that these give a continuous record of the past with no considerable intervals missing), the regularity of his attendance, the kind of work done, the rates of pay received, the promotions he was given and various *objective or quantitative* evidences of his initiative and reliability. Unless he has reason to believe that some of the statements are false,

the interviewer takes them for granted, not looking up these references until after persons have been employed. In some cases, of course, as where moral qualities are involved, it is necessary to investigate references before the applicant is hired.

Wherever an applicant is asked to fill out printed blanks giving his history, or where he is asked a number of questions, he is made to feel that this is not only a protection to the company, but also to himself, in case he is employed. He is made to realize that this sort of thing not only guarantees that the company will get only competent employees, but it furthermore insures that he will have the best of working companions. He will not have to work side by side with people of low occupational, professional, moral, or physical standing. It also gives him a chance to let the company to which he is applying for work learn the good things about him from authentic sources. If a man has found that he could not get a "square deal" working for a particular firm and has left there under unpleasant or even unfortunate circumstances, a poor recommendation from that firm will not necessarily hurt his chances of employment by a reliable establishment, because employment managers usually know a great deal about the policies of competing houses and base their estimates of recommendations on what they know of the sources from which they come.

Sometimes this history or written application blank is required to be made out even before the preliminary interview and sometimes it is not required until the close of the second interview, depending largely on what sort of help the firm employs and whether or not the form is to be used as part of the permanent record of the employee.

STARTING THE NEW EMPLOYEE

After the applicant has been employed, he must be introduced to his new work. First, he is given oral or written explanation of the company's policies and the rules by which

he is to be governed. Often these are embodied in a small book which is presented him as soon as he reports for work. Then he is conducted through the parts of the plant with which he ought to become familiar. If he is to occupy a position in which he should know how his work is related to the work of others, the system is explained to him. Some large department stores have "schools" where employees spend a day or more in learning the routine they must go through. In some establishments it is necessary to put new employees through a considerable course of instruction.

The worker is introduced to his immediate superior, usually by name, and to such of the executives as he should know. In most cases he is also introduced to his fellow-workers. The foreman or supervisor gives him such specific instructions as he should have, taking care not to give him too many at once. During the first few days the supervisor pays attention to him and encourages him somewhat. The work given the new employee is *simple at first,* other duties being added as he becomes familiar with the first ones.

Most firms have definite follow-up systems to *ascertain* the progress of new employees. The old method was to put a man on a job and let him work out his own salvation; he could "sink or swim." Often he was the butt of practical jokes played on him by his associates, the idea being to see whether or not he "had the stuff." Nowadays the foreman or some such person has frank talks with the new employee and reports the result to the employment department. Sometimes specific records of progress are kept and if the worker does not come up to standard in a reasonable length of time, he is not kept on the job. The fact that a man is slow in learning at first does not necessarily indicate that he is not doing well; the man who learns quickly may not be as reliable and steady as the one who takes hold more slowly. The follow-up indicates where friendly advice and attention are necessary and in addition it provides information which is valuable in case of transfer, promotion, and educational work.

PROMOTION, TRANSFER, AND DISCHARGE

It frequently happens that much of the responsibility of arranging transfers and promotions is left to the employment department, working in cooperation with the heads of the various branches of the business. This requires a thorough understanding of the plan of organization, based upon occupational description and study of the relations of the several departments and classification of the positions in them. This involves a knowledge of the relative desirability of each position, with respect to its rate of pay, opportunity for promotion, and so forth. The degree of responsibility for each job must also be considered, as well as the amount and nature of training required for it. The lines of promotion should follow the principle which will permit the use of most of the occupational habits formed in the preceding job. The employment department should therefore have a map of the possible lines of promotion, showing the general direction in which employees may go, as well as what positions each job may lead to and what jobs they may be promoted from to fill places. This map would show, for instance, that in a printing establishment a press feeder might become a pressman and eventually a foreman, and that a stenographer might become an office executive, salesman, or branch manager, but that the lines of promotion do not indicate that the stenographer will become a pressman or that the feeder will become an office executive.

Where the employment department has to do with promotion and transfer, it keeps in close touch with each individual worker, even though this relation is only in the shape of written records. These involve constant observation, records of production or reports of sales, efficiency according to errors and material wasted, attendance, performance in comparison with standards set by time study and occupational observation, and medical examination.

Transfers are often made from one department to another to overcome difficulties in the way of satisfaction and effi-

ciency. Personal feeling between the employee and his foreman or department head, or between the employee and his fellow-workers sometimes makes it necessary to transfer employees. Sometimes an employee is better fitted for a task in another department than for the one he is doing and when there is an opening in the other department, it is wise to transfer him. Health conditions may necessitate a change. Then, too, certain tasks become irksome after a time and greater efficiency and satisfaction can be gained by changing jobs from time to time.

Even here the work of the employment department does not end. When an employee is discharged, or when he resigns, it is the duty of this office to see that he goes away as satisfied as he can be under the circumstances and to ascertain, if possible, the exact cause for his discharge or resignation. Then his record is completed and filed away, in case it should be needed to furnish a recommendation for his new employer, or in case he should apply for reemployment.

Let us repeat that this has been merely a general description and may not apply to all good employment systems in every detail. Because it is merely a description, we shall not attempt our usual summary.

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Sn6p Snow, A J
Psychology in Business
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